



TOWARDS  
A SOCIALIST ECONOMY

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### **PUBLISHER'S NOTE**

In response to repeated requests from Congressmen all over the country, we are publishing the articles written by Shri S.N. Agarwal in a book form. These articles were contributed by Shri Agarwal to the AICC ECONOMIC REVIEW from time to time.

We hope this publication will prove useful to all students of Indian affairs and particularly to Congress workers.

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## TOWARDS A SOCIALIST STATE

In the course of his address to the National Development Council, the Prime Minister observed that the picture he had in mind for the future of India was "definitely and absolutely a socialistic picture of society." "I am not using the word in a dogmatic sense at all, but in the sense of meaning largely that the means of production should be socially-owned and controlled for the benefit of society as a whole." The Ajmer session of the A.I.C.C. also made it very clear that in order to establish a Cooperative Commonwealth and a Welfare State "the present social structure, which still continues to be partly based on an acquisitive economy, has to be progressively changed into a socialized economy." As the Prime Minister remarked, the notion of private enterprise in the sense of individual or organised greed for making profits is "completely out-of-date", and even "immoral". There can be, of course, plenty of room for private enterprise also, provided "the main aim is kept clear."

We welcome these observations of the Prime Minister and regard them as the basic principles of the Congress and the Government. Some Opposition leaders continue to repeat 'ad nauseum' that the Congress is a capitalist organisation and is, therefore, averse to socialistic ideas and plans. This is irresponsible talk and cheap political propaganda. The Congress has won political freedom for the country and is now determined to achieve social and economic freedom for the people of India through democratic and peaceful means. We do not desire to copy the Socialism of other countries in the West or in the East. Imitation of the modes of life in one country by another country could never be a healthy thing. Each country has to plan out its way of life in accordance with its own circumstances and national genius. India is wedded to the democratic way as against the authoritarian methods. "I think that in the long run," said the Prime Minister, "the democratic and peaceful method is more successful even from the point of view of time and much more so from the point of view of final results." This was the lesson that Mahatma Gandhi taught us and the world. Wrong means ultimately pollute even the right ends and violent "short-cuts" do not really pay in social or economic revolutions. During the last seven years, India has achieved remarkable and solid results in the sphere of economic



progress through democratic planning. We have no doubt in our minds that our economic development can compare very favourably with that of any country in the world, including the U.S.A. and the U.S.S.R. It must not be forgotten that America had very vast areas of virgin soil and other natural resources, and yet they took about 100 years to become a first-class industrial nation. Russia took 11 years to produce the draft of the first Five-Year Plan after the October Revolution in 1917. In China, the new Communist Government hopes to lay the sound foundation of Socialism only in the course of 15 to 20 years. It is, therefore, wrong to think that the authoritarian type of planning is quicker than the democratic way. In fact, we are of the definite view that peaceful methods are ultimately quicker and more lasting than the totalitarian techniques. We, however, do not desire in the least to interfere in any way with the economic planning of other countries, nor do we like other countries to interfere with our democratic process and planning.

But it is very necessary to always bear in mind the contents of a Socialist State that India has in view. It is essential that the picture of our Plan should be clear and free from confusion. In accordance with the resolution of the A.I.C.C. at Ajmer, the basic objectives of our economic policy are (1) maximum production; (2) full employment; and (3) social and economic justice. We are not against heavy industries, specially of the basic type. But such mother industries should be, as far as possible, State-owned and managed. Where social ownership of basic industries is not possible in the near future, effective social control should be exercised. The resources of the country should be utilised in building new State industries and not in nationalising existing private industries with their obsolete machinery, except where this is considered necessary in the national interest. So far as consumer goods industries are concerned, every attempt should be made to decentralise these industries in the form of Industrial Cooperatives. As the Prime Minister told the National Development Council, the employment potential of large-scale industries is very limited. Total investment required for securing full employment through large-scale industries would run into "astronomical figures". "I have not a shadow of doubt in mind," said Shri Nehru, "that the employment problem can only be dealt with by stress on small and cottage industries." We are not against technological progress in the industrial sector. But the fruits of scientific research should be made available to small and cottage industries in such a manner that the basic objectives of

maximum production, full employment and social and economic justice are properly achieved. In other words, we stand for 'economic efficiency' and not merely for 'mechanical efficiency.' It is gratifying to know that the latest type of improved spinning wheel, called the Ambar Charkha, will be capable of employing about a crore of people with an investment of only 150 crores of rupees and paying about 12 annas as daily wage. This is the type of labour-intensive machinery that would help us in effectively solving the problem of unemployment and under-employment in a country like India.

Acharya Vinoba recently observed that he was not so much pained by the floods in Bihar and other parts of India as by the sad ruin of village and cottage industries. We do see a number of village industries going to the wall before our very eyes. The Khadi and handloom workers are, indeed, in a sorry plight, although there has been some improvement in recent months. The hand-pounding of rice has been steadily deteriorating in the face of open competition by the rice mills and hullers. The village oil-ghanis are going out of production owing to cut-throat competition from the oil mills. Gur and Khandsari industries are crumbling down before the sugar mills. We do not mean to suggest that all the textile, rice, oil or sugar mills should be closed down immediately. It is, however, absolutely necessary to demarcate definite spheres of production as between the large-scale, small-scale and village industries. For example, as suggested by the Planning Commission, the extraction of edible oils may be completely reserved for the village ghani and the mills should crush only non-edible oilseeds. Similarly, rice-milling, even from the nutritive standpoint, may be completely left to hand-pounding. Certain categories of cloth should also be reserved for Khadi and handloom production. Our ultimate aim should be to make all handlooms use hand-spun yarn through improved spinning wheels like the Ambar Charkha. We are confident that these specific problems will be taken up by the All-India Khadi and Village Industries Board and the Government would soon take final decisions in the light of recommendations of the Board.

In order to achieve the ideals of a Socialist State in India, the system of education will also be required to undergo radical changes. We are today faced with the tragic paradox of large-scale unemployment among the educated youngmen on the one hand, and on the other a notable dearth of trained personnel for the implementation of several important projects under the Five-Year Plan.

For example, we require a host of doctors and engineers for the rural areas. As the Prime Minister told the development Council, India cannot afford to wait for a number of years only for training full-course doctors and engineers for executing village programmes. In China, provision is being made for both short-term and long-term courses. We should do the same in our country. "I would even be willing," remarked the Prime Minister, "to send half-qualified or quarter-qualified hands so that these people may get something during this transitional period." We have, of course, to maintain educational standards. But the situation has to be dealt with in a spirit of emergency. The Prime Minister continued: "I say this, because, otherwise the whole of your planning will collapse completely because of this bottle-neck of not having enough trained-men." We hope there will now be greater co-ordination between our educational system and the developmental schemes for quickening the pace towards a Socialist or a Sarvodaya State in India.

*November 15, 1954.*

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## INDIA AND THE COMMUNIST WAY

At a recent public meeting in Delhi, Shri Nehru warned the people of India to beware of Indian Communists and communalists, the two destructive elements "which were constantly trying to drag the country to utter ruin." Shri Nehru observed that the Indian Communists had become antiquated in their ideas. They had read some books, written about 90 years ago, by authors on the basis of the conditions prevailing in Europe at that time. They read some more books written after the Russian Revolution and were trying to apply those ideas to present-day India. The conditions in India were entirely different and we had to find our own solutions to our problems. Due to their lack of understanding, Shri Nehru explained, the Indian Communists "were constantly pulling the country backwards". "They even went to the extent of deriding their own country abroad. They did not know anything about the developments India was making, and what was worse, they did not even care to know".

Shri Nehru picked up two more traits of Indian Communists which he examined and criticised severely. One was the Communists' belief that the country could progress only through fights and conflicts, while the other was about their attitude to India's foreign policy. The Communists had tried the method of violence and conflict in Telangana. They have now come to the Parliament, but have not given up their old habit. "They are professional trouble-makers," continued Shri Nehru. "They go on raking up petty issues and raising hue and cry merely to ensure that some trouble continued all the time". The Indian Communists' attitude to our foreign policy also made a queer reading. Formerly, they dubbed the Indian Government as "a stooge of Anglo-American Imperialism". But now that Russia and China also have begun praising India's foreign policy, the Indian Communists find themselves in an awkward situation. "They look at everything through coloured glasses and are naturally seeing all types of coloured visions."

Speaking at another meeting of the Congress Parliamentary Party, Shri Nehru observed: "I was at one time a student of Marx. I was much influenced by him, although when I read him he did not impress me enough to accept him as the guide for action here in India. . . . We have to understand the conditions in our own country, our own

people and their background." Conditions in Russia and China were the result of a historical process. It would be most unwise to try to repeat those historical processes here. For example, the present Government of China is the outcome of forty years of Chinese history, a history of Civil War, Japanese invasion and long internal conflict. If we try to go along the Communist way, how are we to get there by going through a process of destruction for a generation or two? "I, therefore, reject the Communist approach," said Shri Nehru, "as being totally impracticable." "It is far more profitable for our country and far better for us to progress along peaceful methods, because if you adopt violent methods, they bring down your level even lower than what it is." Mahatma Gandhi succeeded in this country because he fully understood the basic problems of India. Shri Nehru appealed to the people "to be united and work hard in a spirit of co-operation so that the revolutionary process unleashed by Gandhiji might reach its culmination."

Shri Nehru has repeatedly made it clear that the policy of the Congress and the Government of India is to establish "a socialized economy" through peaceful and democratic means. The word "Socialism" is, surely, not the monopoly or "copyright" of the Socialist Party of any country. We do not desire to use it in any dogmatic or rigid sense. It essentially means that our economic system has to be moulded and shaped in such a manner that the interests of the individual and the society are properly harmonised and that economic inequalities between man and man are reduced to the minimum. This could be possible only if the economic pattern attempts to achieve full employment, more production and greater social and economic justice. The mere slogan of Nationalisation of all types of industries will not solve the essential problems. Our basic or key industries must, of course, be nationalised. But the consumer goods industries should be, as far as possible, decentralised in the form of Industrial Co-operatives. This is no plea for introducing a backward or "bullock-cart" economy. We have to use the fruits of modern scientific research for the small-scale and village industries, not to oust human labour but to increase its per capita productivity. After all, it must be fully realised that the problem of full employment is not merely an economic problem; it is a mental and moral problem also. Above all, it is a human problem. Indian Socialism should aim at providing gainful employment to all able-bodied citizens, irrespective of any kind of distinctions and also reduce glaring economic and social disparities in standards of living. But this should be achieved through democratic and peaceful means and not through totalitarian

and violent methods. In short, the aim of the Congress is Sarvodaya or Gandhian Socialism and not Communism or Democratic Socialism as these terms are commonly understood and translated into action in the Western countries. We do not claim to have achieved the economic and social objectives taught to the nation and the world by Mahatma Gandhi. But we earnestly desire to take India in that direction and seek the co-operation of all sections of the public in this great and onerous task.

There is a danger in interpreting Sarvodaya and Gandhian type of Socialism also in a narrow and rather orthodox way. We must guard against this danger. Gandhiji was not a visionary but a practical idealist. He did not like people to follow a particular policy without understanding its full implications. We have, therefore, to keep an open mind with a sense of humility and willingness to learn. But the basic objectives of a classless and casteless society founded on a non-violent and democratic order should be constantly kept before our minds and hearts. The Communist way is not and will not be suitable to a country like India which has a long and glorious background of deep philosophy and culture based on respect for human personality and equality of all beings before the Creator. "It is my implicit faith," observed Gandhiji, "that India will not be able to imbibe Communism and that Lenin's cult will not take root in this soil." Somebody asked the Mahatma: "But the Indian Communists want Communism of the Stalin type and want to use your name for the purpose." Gandhiji replied emphatically: "They won't succeed." Acharya Vinoba, who is the greatest living disciple of Mahatma Gandhi, has also condemned the methods of the Indian Communists in unequivocal terms. "The Communists in India," said Vinobaji, "are not only dogmatic; even their minds are closed." They have no independent wisdom of their own. If the line changes in Russia, their line in India also undergoes a change.

But, merely running down the Communists, will not serve our essential purpose. We must develop a positive approach, a dynamic ideology. We must strain every nerve to pull down class distinctions based on caste, wealth or social positions. We must make every citizen feel that he is an active partner in the shaping of a new Co-operative Commonwealth in India. The "vulgarity" of the rich and the "abject conditions" of the poor must disappear as early as possible. The objectives of our economic planning should be to render "first aid" to the poorest and the lowest.

We should take care of the "last", first. The wide gulf that exists between the cities and the villages should also fade away. Our villages should become real places of attraction and a happy social and economic life. Our village and cottage industries must be revived systematically and definite spheres of production should be demarcated for them in order to avoid unhealthy and unfair competition between large-scale and small-scale industries. We must develop a feeling of "neighbourliness" or "Swadeshi" and give up the fondness for foreign luxuries. Every one of us has to cultivate a sense of self-sacrifice and austerity in personal life. All this must be done with a sense of urgency and in a planned manner. In the face of these positive and constructive steps, Communism in India would fade away like the morning mists.

*December 15, 1954.*

## INDIA AND CHINA

The recent visit of the Indian Prime Minister to China has proved to be of great historical and political significance. Replying to a short-notice question in the Lok Sabha, Shri Nehru observed that "the mere fact of a closer understanding between India and China is a factor of vital importance not only to those countries but to others also." In the course of his talk to a recent meeting of the Congress Parliamentary Party, the Prime Minister stated that his visit "had helped in bringing the two great nations of Asia nearer." In an interview with a British journalist who met him on behalf of the B.B.C., Shri Nehru laid great stress on the method of "friendly co-operation and understanding" as against "threats and an aggressive approach" to the solution of major problems confronting different nations of the world. The same note of a friendly approach was sounded by the Prime Minister in the course of his speech in Peking. "The essential thing between two nations," said Shri Nehru, "is tolerance and friendly feeling." He continued: "If these are present, other things follow. I am convinced these are present in India and China."

Although Shri Nehru has welcomed this friendly co-operation between India and China for the establishment of peace in Asia and the world, he has made it quite clear that there are basic differences in the political and economic structures of the two countries. "We found that such differences as existed in our political or economic structures need not come in the way of our co-operation in many fields and more especially, in our working for peace in Asia and the world." Shri Nehru, in the course of his interview to the B.B.C., described the enthusiasm of the people in both the countries and stated that, perhaps, in China it is much more. But he made it quite clear that he did not like the methods of regimentation. "It may be, we may not be able to do it to the same extent; but we prefer to do it in our own way." Of course, Shri Nehru did not think it worthwhile to discuss the ideological differences theoretically. "We knew that we were functioning with different political and economic structures, and we left it at that." The two Prime Ministers discussed, from a practical point of view, a number of problems like those of industrialization, unemployment, flood control, population control and financial resources. The "Five Principles" or the "Panch Shila" provided the basis for all these



friendly discussions on common problems from the standpoint of world-peace and prosperity. The Chinese leaders assured Shri Nehru that they had no intention of interfering with Indian conditions "internally or externally." "For my part," observed Shri Nehru, "I accept their word because that word fits in with objective conditions in Asia and their country and in the world." "Both India and China are today engaged in the great adventure" of raising the material and cultural standards of their people as speedily as possible. Both can learn from each other in many ways, though our economic and political ideologies differ basically and fundamentally.

In his address to the Congress workers at Darjeeling, Sri Nehru pointed out in details how social and political conditions in India and China differed a great deal. "In China," said Shri Nehru, "there is hardly any freedom of press or expression." There is also no independence of the Judiciary as in India. Their political or constitutional structure is also quite different; they need not devote hours, days and months on almost endless discussions in Parliament. In India, freedom of speech and expression was fully utilised and even misused. The Judiciary made the working of the legislation rather difficult and prolonged. And yet India has achieved considerable success in improving the social and economic conditions of her people during the last seven years of freedom. We can surely learn several things from China; China, in turn, can learn other things from India. "But," remarked the Congress President, "we like to do things in our own way, and will not brook any interference from outside." "Nor will I like to interfere with the ways of others." Speaking at a largely attended public meeting in Darjeeling, Shri Nehru observed: "It is no use imitating other countries and peoples. It never pays to imitate because imitation leads to weakness and dependence on others," India is wedded to a democratic constitution: as she has chosen the Gandhian path of freedom, peace and democracy. China is following a different path. And yet the two great Asian countries can learn from each other to the definite advantage of both. The principles of peaceful co-existence and non-interference can go a long way in bringing about better and happier relations between different nations and peoples for the ultimate aim of establishing a more prosperous, progressive and peaceful world to live in.

Some of us are under the wrong impression that the pace of progress under a democratic set-up is slower than that of a totalitarian regime. It is true that the democratic

method appears to be slower to begin with; it entails long discussions and requires the willing coöperation of the people through a process of persuasion and popular education. The authoritarian way appears to be quicker in the beginning but shows signs of resistance and conflict as time passes on. The democratic procedure is, thus, slow but steady while the totalitarian method is seemingly fast but ultimately more jerky, risky and bloody. A small country like Ireland took about 800 years to achieve its political freedom, while India, under the glorious leadership of Gandhiji, succeeded in attaining Independence through peaceful and non-violent methods in about a quarter of a century. Even after Independence, India has been able to register remarkable progress in different sectors of national planning under a democratic set-up. It can be claimed without any hesitation that what India has been able to achieve during the last seven years compares very favourably with the progress made by any other country in the world during the same period of time. We should never forget that the U.S.S.R. took full 11 years to prepare the blue-print of her first Five-Year Plan after the Revolution of 1917. These eleven years in Russia were the years of bitter conflict, class war and severe famine. In China also, the present edifice of unity, discipline and material progress is largely founded on fear, regimentation and authoritarian rule. Nothing has been achieved there as if by magic. Chairman Mao and the Chinese Prime Minister have openly admitted that their country would take about 15 to 20 years to be able to lay the foundations of a Socialist State. There is considerable unemployment in China and the population problem in relation to food and other material goods presents stupendous difficulties. There is still a tendency towards inflation; one Indian rupee is, at present, equal to about 5,000 Chinese dollars. There is, even now, plenty of private property in land and industry. Attempts are being made to narrow down the gulf between small and big incomes. But even in Russia, there is easily a difference of 1:80 between different income-groups. In China and the U.S.S.R., although there has been substantial increase in the production of different commodities, the quality of these goods is, in general, quite poor as compared with other countries of the world.

We in India, therefore, need not suffer from any kind of "complex" in gauging our economic advancement after the achievement of political freedom. During a comparatively brief span of seven years, we have considerably solved our problems of food, rehabilitation and inflation. We have succeeded in integrating 600 and odd States into

the Indian Union. We have established a number of basic industries with a chain of magnificent National Research Laboratories. Our targets for food and several industrial products have been more than achieved. We hope to cover the whole country with Community Projects by the end of the second Five-Year Plan. These are no mean achievements for a country which suffered from great handicaps during centuries of political serfdom. But we need not rest on our oars. There is still much to be achieved through long and arduous labour. We should always be willing to learn from other nations. Self-complacency is always unhealthy and harmful. But to try to imitate other countries without developing one's innate strength is always suicidal. We must, therefore, march ahead with full faith in our ideals and objectives. Destiny has endowed us with a heavy but sublime responsibility. India has to show to the world that the path of peace, non-violence and democracy is quicker and nobler than the path of conflict, violence and authoritarianism. Let us try our very best to discharge this great responsibility with faith and missionary zeal.

*December 1, 1954.*

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## SEVEN YEARS OF FREEDOM

Seven years is by no means a long period in the life of a nation and more specially of a country like India which attained Independence after centuries of political serfdom. But during these seven years of freedom we have been able to achieve results in different sectors of national economy of which all of us could be legitimately proud. As the A.I.C.C. session at Ajmer pointed out, there has been "a very great improvement in the food situation in the country which has exceeded expectations and the targets laid down and has assured the country of an adequate supply of food-grains." While the target of additional food production during the period of the Plan was 7.6 million tons, the production of foodgrains is estimated to have increased during the last three years by about 9.5 million tons. In addition to agricultural production there has been a general increase in industrial production as well. The target for cotton textiles by the end of the Plan was 4,700 million yards; but even in 1953, production exceeded the above target by over 200 million yards. There has been substantial increase in cement, paper, sugar, ship-building, manufacture of Railway wagons and locomotives and fertilisers. The Multi-purpose River Valley Projects have enabled us to bring more than 1.6 million acres of new land under irrigation during the last three years of the Plan; electric power capacity also increased by 4,25,000 kw. Progress in the building of national highways and roads in addition to the construction of several new Railway lines has been considerable.

Besides these notable achievements in the domains of agriculture and large-scale industries in private and public sectors, there has been substantial increase in Welfare activities, specially in the rural areas. The Community Projects and the National Extension Service schemes have already covered over 55,000 villages and a population of 36 million and it is intended to cover the entire country with such projects by the end of the Second Five-Year Plan. This tremendous undertaking will surely bring about basic changes in the structure and functioning of rural India. The success in these schemes is not only due to thousands of trained workers but also to the admirable public response which such projects evoked. For example, the total Government expenditure on 210 National Extension Service blocks since their inauguration on October 2, 1953, has been Rs. 42.99 lakhs, while the people's contribution.

amounted to Rs. 45.8 lakhs. During the first six months of their work, the N.E.S. blocks could bring 78,000 acres of land under irrigation through minor irrigation schemes, about 16,000 acres were brought under fruits and vegetables and about 19,000 acres were reclaimed for cultivation. About 5,000 wells were either newly constructed or renovated; 1,000 new schools and nearly 1,200 adult education centres were started. Approximately 1,800 miles of village roads were constructed in these National Extension Service areas. On August 15, 1947, there were only 18,000 Post Offices in the rural areas; their number is now 40,000. The number of Public Call Offices at the time of Partition was only 339; now it is 2,260. All these are surely no mean achievements, specially during a period when the Nation had to divert considerable financial resources to the healing of the wounds of Partition. Even in the sphere of Rehabilitation, our achievements can compare favourably with those of any other country in both Asia and Europe.

In other spheres of national activity also, our achievements have been quite noteworthy. While saving the country from civil disorder as a result of the vivisection of India, we succeeded in integrating 600 and odd States into the Union without a gun-shot. We have been able to eliminate the intermediaries in land by abolishing feudal Zamindars, Malguzars and Jagirdars. Through the amendment of the Company Law, the Government is now attempting to curb and if necessary liquidate the relics of feudalism in industry in the form of the Managing Agency System. The imposition of the Estate Duty is a significant step in the direction of removing glaring economic inequalities in the country. Important pieces of legislation relating to the reform of the Criminal Procedure Code, social customs like that of Marriage and Divorce and the abolition of social evils like that of Untouchability have already been introduced in the Indian Parliament. The existing system of education is gradually being changed into Basic and Technical educational structure, although the pace of progress in this direction has not been as fast as it could have been. The old system of administration that we inherited from the foreign rulers is now being overhauled. A chain of National Laboratories and Higher Technical Institutes have been established in different parts of the country during the last seven years of freedom. There has been visible increase in medical amenities in both the rural and urban areas, although much yet remains to be done. Above all, the Congress leadership has given to the new Republic a stable and pro-

gressive Government at a time when many other countries in Asia and in Europe have been, more or less, in the melting pots. Thanks to the eminent leadership of our Prime Minister, India has succeeded in gaining a very high prestige in international affairs by playing a vital role in the difficult but noble task of establishing peace on earth and good-will among mankind.

India has chosen the path of peace and democracy for building up a new social and economic structure in accordance with the teachings of the Father of the Nation. She has definitely rejected the way of war, totalitarianism and regimentation of the masses. It is wrong to think that the methods of authoritarianism are quicker and more lasting than the way of democracy and education of the masses. What India has been able to achieve in the political, social and economic spheres during the last seven years can stand comparison with the progress of any country in the world during the same period. Immediately after the October Revolution, Russia had to face great resistance from the vested interests and there was chaos, confusion, bloodshed and famine in the land for about a decade before the fruits of a socialist order could be visible to the people. In China also nothing has been achieved by magic and all the facts are not so rosy as they appear from a distance. The land reforms there are not so revolutionary as they are, perhaps, depicted to be. Those who have been to China during recent months and have tried to study the realities of the situation without any political bias are of the view that China will take at least ten years more to come up to the present level of India. China is our friendly neighbour and we are always prepared to learn from her in a particular sphere. But all of us should realise that India has been able to accomplish things after Independence and there is no occasion for any kind of frustration or despondency.

This does not mean, however, that we should become smug or self-complacent and begin resting on our oars. Eternal vigilance and arduous work are the price of lasting liberty and we cannot afford to be over-optimistic and over-confident. As Shri Nehru recently wrote to the Presidents of different Pradesh Congress Committees, "We have to keep a balanced picture before us, in no way exaggerating our successes and also in no way minimising them and always remembering what we have yet to do." We have no shadow of doubt that India is a land of destiny and our Prime Minister is a man of destiny. We must always bear in mind the teachings of Mahatma Gandhi and work cease-

lessly for building a new, prosperous and glorious India. With faith and confidence in the purity of our mission, with good-will towards all and ill-will towards none, we should march forward with discipline and determination towards our cherished goal of a classless and casteless society in which there will be ample scope for the free and full development of both the individual and the community.

*August 15, 1954*

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## NEW "TEMPLES OF WORSHIP"

Inaugurating the Bhakra-Nangal canal system amid scenes of great rejoicing and enthusiasm, Prime Minister Nehru described with visible emotion these sites and Projects as "Temples and places of worship" where thousands of human beings were engaged in great constructive activity for the benefit of millions of their fellow beings. "These are sacred places," observed the Prime Minister, "where people invest their sweat and blood and suffer and endure for the commonweal." "These places make the noblest Temples, Gurdwaras, Churches and Mosques to be found anywhere and I feel more religious-minded when I see these works." These noble and inspiring words that fell from the lips of our revered leader sent a wave of new zeal and enthusiasm among the people and strengthened their will to build up a new, prosperous and progressive India. "Work is Worship," said Thomas Carlyle. The same idea has pervaded Indian thought and culture through the ages. He who eats without rendering work is a thief, says the Gita. Gurudeva Tagore asked people to "leave this chanting and singing and telling of beads" for worshipping God in the "lonely corner of a temple." He is there where the tiller is tilling the hard ground and where the path-maker is breaking stones. He is with them in sun and shower, and His garment is covered with dust."

The great task of rebuilding India, therefore, is truly a sublime and religious mission and the numerous small and big Projects which are being executed in different parts of the country for the lasting welfare of the masses are the new "temples of worship" from which all of us can draw fresh inspiration. Take the case of the Bhakra-Nangal Project. It is the biggest Multipurpose River Valley scheme in India. Its cost is heavy—Rs. 153 crores. But its returns are also huge. It will irrigate about 60 lakh acres of additional land in the Punjab, PEPSU and Rajasthan. As a result of these irrigational facilities, the additional agricultural production is estimated at about Rs. 132 crores annually. More than Rs. 3 crores would flow back into the State Exchequer every year on account of water rates alone. The area brought under cultivation would provide employment to over 30 lakh families of farmers. Nearly 3,000 million kilowatt hours of electric energy would be added to our power resources for the development of industries and agriculture. The total annual production of food crops



would be 11.3 lakh tons, of sugarcane 5 lakh tons, and of cotton 8 lakh bales. These are, indeed, impressive figures for an economically under-developed country like ours and we have no doubt in our minds that these Multipurpose River Valley Projects would form the stable and sound foundations for our future economic development. In addition to these big projects, we have in India today numerous small schemes and projects for the development of our rural and urban areas. The Community Projects and the National Extension Service, though not without certain initial defects and difficulties, are in the nature of a mighty venture for building New India of our dreams.

There are, however, one or two points to which we would like to draw the attention of the Planning Commission and the Government of India. It is surely good to augment our natural resources of power and irrigation. But they are only a means to an end. The chief objective of all our national planning is, undoubtedly, to ensure fuller employment and eradicate hunger and poverty from the land. This can be rightly achieved only through intensive and scientific agriculture and a net-work of small-scale, cottage and village industries. Nobody questions the need for building up our key or mother industries which are, in the very nature of things, on a large scale. But the general pattern of our consumer goods industries has to be on a small scale in the form of decentralised co-operatives. It is, indeed, extremely gratifying to note the phenomenal progress that our country has made in the sphere of agriculture during the last few years. Thanks to the determined effort of the Union Food Minister, we have now achieved self-sufficiency in food and even rice has been completely decontrolled. But we view with some concern the growing tendency of establishing large-scale, mechanised farms in the countryside to the detriment of small agriculturists. We must always bear in mind that our basic problem is to provide full employment as well as to increase production. Like China and Japan, India must, therefore, try to evolve a system of intensive and small-scale farming in a co-operative way so that it may be possible to settle a large number of our people on land holdings in an economical manner and at the same time to register a marked increase in agricultural yield through more scientific methods of irrigation, manuring, rotation of crops, etc. If we do not take adequate care in this regard and allow some rich agriculturists to develop big and highly mechanised farms, we shall be responsible for importing the evils of capitalism in the domain of agriculture and magnificent River Valley Projects instead of becoming the new "Tem-

ples of Worship" may be instrumental in bringing about further economic exploitation of the masses.

So far as the utilisation of increased electric power resources is concerned, we would like to suggest to the Planning Commission that the additional energy should be equitably divided between the large-scale, small-scale and village industries. So far as we know the Union and State Governments have not so far planned the use of electric power generated by these new Projects in this fashion. In some cases, the big factories which are already in possession of electricity are being supplied the new power because it is cheaper. With cheaper power, some of these large-scale consumer goods industries will be able to compete more effectively with the corresponding village and cottage industries. The supply of cheap power to our basic industries will, of course, be beneficial and conducive to greater industrialisation of the country. But the Government has to constantly keep in view the requirements of the small-scale and rural industries in planning in a proper manner the utilisation of additional thermal and hydro-electric power that is being generated by our new Projects. Unless we are able to assist our village and cottage industries to come into their own through the supply of cheaper credit, cheaper power and the organisation of co-operative marketing, it would be impossible to plan for full employment and increased production in this country where capital is scarce and labour is abundant. We, therefore, earnestly hope that both the Planning Commission and the Government would devote their attention to this aspect of the problem without any further delay and take immediate steps to set up co-operative organisations for the use of electrical energy for small-scale and village industries in those regions where the new Multipurpose River Valley Projects are under construction.

The country is now trying in all seriousness to revivify the Village Panchayats as basic units of Local Self-Government. All the development programmes, specially in the rural areas, will naturally revolve round these Panchayats and the industrial co-operatives. It is, therefore, necessary that our River Valley Projects should keep in view the basic requirements of these decentralised self-governing institutions so far as the supply of power and irrigational facilities are concerned. In short the new "Temples of Worship" should be instrumental in re-establishing in India an ancient system of village communities which commanded universal respect in the form of Panch Parameshwara. The Prime Minister, while opening the Nangal canal, dedi-

cated it "to the good of the Indian people". He strongly criticised those persons who always talk ill of the Indian achievements and shower praise on foreign countries. "I do not mind the criticism or the running down of the Government," said the Prime Minister. But he added with visible fervour: "I do mind the running down of the Indian people." Despite their poverty and illiteracy, the people of India have behaved with remarkable courage, robust commonsense and hard and arduous labour during the last seven years of our freedom. We have every reason to be proud of them. As Shri Nehru remarked, "the 360 million people of India are on the march and that is not a small matter." India cannot and will not remain static. She is a land of destiny and her people will move forward with a new mission and a new "religious" faith in the sacred work of rebuilding the country. Let us always remember the inimitable words of the Prime Minister:

"We fought for freedom and won it. We are the children of that revolution. But that revolution is not yet over. We shall still continue it. We finished it in the political sphere, but we have to continue it in the social and economic spheres."

*July 24, 1954.*

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## ECONOMIC PLANNING AND EDUCATION

During the last seven years of freedom, India has, undoubtedly, been able to achieve striking results in various spheres of national life. Thanks to the eminent leadership of our Prime Minister, we occupy a unique position in international affairs today and India has been able to steer clear of both the power blocs for bringing about collective peace and security in the world. Our achievements in the domestic sphere have also been quite remarkable. Despite natural calamities and several economic difficulties, we have been able to solve, in a large measure, our food problem within three years of the first Five-Year Plan. The targets of production of a number of industries have been achieved already, and several basic industries have grown up in the country with the active help and initiative of the Government. The integration of six hundred and odd States in the Indian Union was no mean achievement. It has also been possible to spread a net-work of Community Projects and National Extension Service blocks in about 55,000 villages and it is expected that the whole country would be covered by these schemes in a period of seven to eight years. We have already started working on the blue-print for the next Five-Year Plan and the prospects in the domains of agricultural and industrial development are quite bright and hopeful.

We are, however, faced with a very paradoxical situation in the educational sphere. On the one hand, there are thousands of young men who are unable to obtain suitable jobs for their livelihood and, on the other, there are many posts of a technical nature which cannot be filled up for want of suitable and trained personnel. For example, a number of schemes in the Five-Year Plan have not been taken up so far because an adequate supply of trained young men in specific jobs is not forthcoming. We are badly in need of mechanics, surveyors, overseers, medical assistants specially for the rural areas, nurses, stenographers and other types of skilled and semi-skilled technicians. Several State Governments have not been able to utilise sanctioned amounts from the Central Government for local works, minor irrigation schemes and roads mainly because of shortage of technical staff. This clearly shows that there is want of planning between our educational institutions and the schemes of economic development. There is hardly any co-ordination between the two. Without such co-ordi-

nation and integration, it would be impossible to solve the problem of unemployment among the educated youth and the difficulty of obtaining adequate trained personnel for planned economy. It is absolutely essential to diversify our educational system and encourage polytechnical institutions. Purely Arts or "liberal" Courses should be discouraged by the public and the State. In fact, further expansion of ordinary schools and colleges should be stopped forthwith.

The Government of India have already accepted the policy of making Basic education the pattern for the future educational system of the country. The quintessence of the Basic system sponsored by Mahatma Gandhi is the well-known educational principle of learning through doing or teaching various academic subjects through productive or creative activities. Basic education is not teaching plus craft-work but teaching through work. In short, the various processes of handicrafts like hand-spinning, weaving, carpentry, blacksmithy, etc., are exploited through a technique of "correlation" for teaching different subjects like language, arithmetic, physical and social sciences, History and Geography. We have no doubt in our mind that this type of Basic education is the only practical solution of our fundamental problem of integrating our developmental schemes with the educational system. Basic schools will be successful in training our young men, both in cities and villages, for handling specific jobs connected with economic planning of India. Instead of producing "Babus", as is being done in the existing schools and colleges, they would produce a team of enthusiastic young men and women who would take up the work of building a New India with all earnestness. Instead of knocking from door to door for petty clerical jobs, the Basic school students would be able to carve out a career for themselves through hard work, practical activity and a spirit of self-help.

It is no use opening a few experimental Basic schools in each State. The stage of experiments is now over. It is essential to convert all the existing primary and secondary schools into the Basic type in a planned manner without any further delay. The pattern of University education should also undergo a radical change. At any rate, students passing out of the Basic schools should not suffer from any kind of handicaps if they desire to pursue further education in the colleges and Universities. In fact, they should receive special concessions and encouragements. The place of English in curriculum of schools should be properly planned in such a manner that during the transition period the students of Basic schools should not, in any

way, be made to feel handicapped for want of adequate knowledge of the English language. We are not against English as a language. It is one of the most, if not the most, important languages of the world. But there is absolutely no reason why it should usurp the legitimate place of Indian languages in our national life and particularly in the educational system. Hindi and other regional languages should not only become the media of instruction in schools and colleges but should also become the media of examinations in the All-India Public Services. English or any other foreign language should, of course, be learnt by our young men as an integral part of their education. But the unnatural place that English occupies today in our social and educational life must go.

It is very wrong to think that Basic education is more costly than ordinary bookish education because provision has to be made for teaching crafts in Basic schools. Acharya Vinoba has recently made it very clear that no special money need be spent in Basic institutions on the provisions for crafts. He is of the definite view that existing arts and crafts of the villages or the cities should be utilised for the purposes of correlation and education in the Basic schools. There will, thus, be endless variety in the basic crafts taught to the students and no special workshops will be necessary for being attached to Basic institutions. If this principle is followed correctly and intelligently, it will be possible to spread Basic education throughout the country expeditiously without much additional public expenditure. Moreover, it should also be borne in mind that Basic education is not meant to be introduced only in the rural areas. It is a new type of educational system which must be introduced simultaneously in both the urban and rural areas. Of course, the basic crafts in the city schools will be different from those crafts which are generally found in the villages. If craft-work is introduced only in the villages, the masses begin to feel a certain sense of inferiority and also begin to doubt the intentions of the city folk. A mistake of this kind was made in the Madras State; it should not be repeated anywhere else.

There is one more suggestion which must be pursued seriously by the Planning Commission and the Government of India. It has been recommended by a number of prominent educationists that every student in India should be asked to render social service for a few months on a compulsory basis before earning the right of receiving a Degree. This social and manual work would surely stand him in good stead in obtaining suitable employment in develop-

mental projects. The time has now come when this idea of social conscription should be considered in detail and a practical scheme evolved for quick implementation. India is wedded to a democratic way of life; our economic planning is also based on a democratic set-up. With very limited financial resources and with a policy of strict neutrality in regard to the two power blocs, the only realistic course open to India is to harness the limitless resources of human power for re-building the country from the bottom upwards. With a re-orientation of our educational system and introduction of compulsory manual and social work in all the existing educational institutions at least during the transitional period, it will be possible to utilise our human resources for giving a new shape and form to this ancient land of ours. A sound system of education is of paramount importance in national economic planning and the sooner we get to brass tacks the better. We have had plenty of general talk and pious wishes. We must now put our shoulder to the wheel and overhaul the entire educational system with a sense of urgency.

*October 1, 1954.*

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## MILLS, HANDLOOMS AND KHADI

The much-awaited Report of the Textile Enquiry Committee is now out. The salient features of the Report are that there should be no further expansion of mill industry on the weaving side. It is expected that by 1960 at a per capita consumption of 18 yards, the cotton textile requirements of the country would amount to 7,200 million yards. Allowing 1,000 million yards for export, an extra 1,600 million yards will be required to satisfy the internal demand. In order to maintain employment and "in order to save on our demands for capital", the Committee suggests that "this extra production should be achieved through the decentralised form of the textile industry". In order to rationalise the handloom industry, the Committee opines that the handlooms should gradually be converted into power-looms. The ultimate idea is that "at the end of 15 to 20 years, barring, say, 50,000 handlooms . . . manufacturing special fabrics with an intricate body design, the entire handloom sector will have been converted into the improved (semi-automatic) handloom or the decentralised powerloom industry." It is estimated that as a result of this conversion, the displacement of workers will be of the order of 20,000 per year. In order to produce additional yarn for the improved type of power-looms for manufacturing extra 1,600 million yards per year by 1960, the Committee recommends an extra spindleage of 1.75 million by setting up 88 units of 20,000 spindles each or 35 units of 50,000 spindles each. It is also suggested that a few "co-operatively-owned spinning mills" on the pattern of the mill recently started at Guntakal may be established in the country. The Committee is of the definite view that the reservation of the coloured sari for the handloom "certainly seems justified" not only on technical grounds but also "to keep the weaker sector alive". As regards the suggestion of equating mill and handloom prices by the levy of a heavy excise duty or cess on the mill sector, the Committee recommends categorically that "such a device is not feasible." The Committee, however, have come to the conclusion that "the existing reservations in favour of the handloom (or improved handloom) and the domestic powerloom industry must continue for the time being." It is also contended that "there should be no prohibition on handloom from producing plain cloths like mulls, voiles, etc."

As regards the textile mill industry, the Committee is



of the opinion that replacement of plain looms with automatic looms must be permitted at the rate of about 5,000 looms a year "so that one half of the existing loomage may be converted into automatic looms over a period of 20 years." The Committee has computed that this will result in the unemployment of nearly 4,000 weavers per year, assuming that one weaver would operate 16 automatic looms on an average. It is also recommended that the mill production of cloth may be frozen round about 5,000 million yards and that "no addition to weaving machinery whether in the form of plain looms or in the form of automatics should be permitted during the plan period envisaged in the Report." The Committee further suggests "the integration of spinning mills with the handloom industry." Discussing the question of decentralisation of the spinning part of the industry, the Committee feels that "all the small-scale spinning unit inventions have to be technically still further developed before an opinion one way or the other can be expressed." For the time being, the Committee "would suggest new spinning units on a decentralised basis from the point of view only of location and of reasonably small economic units." Regarding Khadi, the Committee feels that "it cannot with propriety make any recommendations" and suggests the appointment of "a special enquiry". Towards the concluding portions of the Report, the Committee observes that "after the initial period of sacrifice during the process of construction . . . no one should be compelled by economic or other necessity to spend the best part of his time on the preoccupation of earning his daily bread." "For this purpose," the Report states, "the production of the largest volume of goods in the smallest possible time will have to be ensured after the initial phase." "This will be possible only with the use of power and machinery. The ultimate replacement of the handloom by the powerloom is, therefore, inescapable." The Report concludes by saying that "decentralised industry organised on a co-operative basis affords the best insurance of the continuance of life according to the highest principles of democracy."

The Report of the Textile Enquiry Committee evokes both a feeling of satisfaction as well as that of disappointment. It is satisfying to find that the Committee does not visualise any further expansion of the textile mill industry specially in regard to the weaving side. It is also good to know that the Committee desires that the existing reservation of spheres of production for the handloom industry should continue and that the additional production of cloth at the rate of 18 yards per head should be left to the decentralised sector. In regard to the rationalisation of both the

handloom and mill production, the Committee has advocated "a phased conversion programme" spreading over a period of 15 to 20 years "with a view to maintaining employment and avoiding sudden or large social or economic upheavals." But the Report is disappointing in the sense that it appears to have failed to face the whole problem boldly and in a realistic manner. The latest progress report of the Five-Year Plan clearly indicates the seriousness of the unemployment problem in the country; the situation in this respect, instead of improving, has been deteriorating steadily. The immediate need is to provide gainful employment to an increasing number of people in India. Cotton textile is one of our major organised industries which produces a necessary commodity of life having a universal demand. We had expected that the Committee would present a plan which would enable a larger number of workers to be absorbed by this industry through a better and more widespread organisation of handloom and Khadi sectors. Instead, the Report visualises a displacement of about 24,000 workers per year and that too at the cost of Rs. 50 crores of the public exchequer spread over six years. The Committee is of the opinion that there are only 12 lakh active handlooms in the country. We are rather doubtful about the correctness of this figure. The Committee also holds that no further expansion of the handloom industry is desirable. Instead, the demands of greater production should be met by converting the handlooms into powerlooms. We had also expected that the Report would deal with the problems of hand-spinning and Khadi in a specific manner in order to point out the way for the solution of the question of under-employment both in the rural and urban areas. But the Committee, which took about 22 months to produce a brief report of about 40 cyclostyled pages, has now recommended the appointment of another committee for Khadi with the remark that "the retention of hand-spinning is necessary for temporarily maintaining employment in regard to certain special classes of indigent persons." This is, indeed, adding insult to injury.

It must be remembered that the basic problem facing our country today is essentially the human problem. Every able-bodied citizen of India has the inherent right of earning his or her livelihood through productive work. Our Constitution also guarantees such a fundamental right. In all the progressive countries of the West as well as the East, the State regards it as its sacred duty to provide gainful employment to all its citizens and, failing that, to grant them adequate monthly allowances. It is surely much better to provide work rather than "doles". He who eats

without work suffers from not moral but also physical and mental degradation. The basic objective of modern economic planning is full employment. It is, therefore, the duty of our planners to reorganise our economic and industrial pattern in such a manner that an increasingly larger number of workers are absorbed by our large-scale, small-scale, village and cottage industries. We are not against rationalisation as such. But all rationalisation must be rational in the sense that it should be suited to the specific conditions prevailing in a particular country. From this standpoint, the Textile Committee has not succeeded in viewing the whole problem against a larger background of ensuring fuller employment to the masses of this great sub-continent. As the Ajmer session of the A.-I.C.C. pointed out, the aim of industrialisation should be maximum production, full employment and social and economic justice. If we lose sight of this basic objective, all our planning would be "full of sound and fury signifying nothing."

*October 15, 1954.*

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## THE FIRST AND THE LAST

The Parliament recently discussed a number of important economic problems like those of land reforms, rationalization of industry and flood control. Shri G. L. Nanda, the Union Minister for Irrigation, Power and Planning, assured the members of Parliament that the Government regards land reforms "as of crucial importance for the progress of the country." He assured the Lok Sabha that "a phased programme" in regard to land reforms would be taken up in all the States. Shri Nanda also announced that the Government has decided "to meet the flood situation in the country on a war footing." "As far as I am concerned," observed Shri Nanda, "the flood problem will be No. 1 problem with me." Replying to the debate on rationalization in industry, the Union Minister for Commerce and Industry, Shri T. T. Krishnamachari, pleaded for "rationalization without tears". He assured the House that the displaced worker "will not be left in the street" and that the Government would try to help him by means of a fund by collecting a levy on the units which have been rationalized. "We must in the process see," stated Shri Krishnamachari, "that those people who are likely to suffer and those least capable of bearing that suffering, suffer the least and the thing has to be planned and worked out."

It is true that the problems of land reforms, flood control and rationalization of industry are complicated and difficult problems which have to be solved with considerable caution, vision and planned procedure. But such questions, though inherently complex, become comparatively simple if we have a clear objective before the mind's eye. Mahatma Gandhi gave us a remarkable Talisman for our guidance in such complicated matters. "Whenever you are in doubt, or when the self becomes too much with you, apply the following test: Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself if the step you contemplate is going to be of any use to him. Will he gain anything by it? . . . . In other words, will it lead to Swaraj for the hungry and spiritually starving millions? Then you will find your doubt, and your self melting away." These magnetic words of the Father of the Nation should be always kept before our minds in tackling national problems of great importance. For, after all, the main objective of a democratic State should be to level up the down-trodden and level down through peaceful

means those in whose hands the wealth of the nation is concentrated at present. Unless a redistribution of wealth or even of poverty takes place in the existing Indian society, it would not be possible to build up a new and prosperous India. Without social and economic equalities, mere political freedom would not be of much value.

In regard to land reforms, for example, our main concern should be the protection of the rights of the actual tillers of the soil. This has been the policy of the Congress from the very beginning. As the Congress President recently emphasised, there can be no place for large-scale ejection of tenants in our policy of land reforms. We have been able to abolish intermediaries in land in almost all the States. But the position in regard to the security of tenures of the cultivators is not yet very satisfactory. It is also desirable to stop all ejections, except those for the non-payment of rents over a certain period, by legislation, or even by executive orders, if necessary. The question of fixation of ceilings on existing land holdings requires urgent and serious consideration by all the States administrations. The basic problem is the vital need for providing stable and gainful employment to millions of our people who have been trying to eke out their livelihood for decades by toiling on land with the sweat on their brow. So far as the question of rationalization is concerned, the fundamental problem again is the need for securing full employment to crores of our countrymen who are today forced to be idle either totally or for several months in a year. We have guaranteed the right to work to all able-bodied citizens of India under our Republican Constitution. Any step that cuts across this basic national policy even for a temporary period should be taken with the greatest care and consideration. It is not enough to try to absorb those workers who will be displaced as a result of rationalization. The main criteria of our industrial policy should be full employment, maximum production and socio-economic justice. Unless we face the problem of unemployment with a sense of urgency in all spheres of national life, it would be difficult to build up sound and stable democracy in this country. As in land so in factories, it is the humblest worker whose interests must be regarded as supreme in the formulation of our policies. When we discuss the problems of flood control, it is true that we have to look at the question in an integrated fashion for devising both short-term and long-term measures. But here again our main concern for immediate attention should be the poorest villager who has lost all his belongings, including his sources of livelihood, during the recent floods in Eastern

India. The humblest citizen does not desire to live on "doles"; he wants some work to keep his body and soul together and it is our first duty to provide him with that work. Long-term measures for flood control and for taming the rivers would come in due course.

Similarly, there are many other instances in which we do not try to take care of those people or sections of society who deserve help the most. We find that the roads in the cities are being widened and tarred while thousands of villages have no approach roads, half-metalled or even kuchcha. We are planning to provide drinking water in Municipal towns while millions of our people in the rural areas have to daily walk for miles for obtaining drinking water for their families. We are providing irrigation facilities to cultivators through a number of big River Valley Projects. But what about those rural labourers who do not possess any land at all? The State Governments are establishing thermal and hydro-electric stations for supplying cheap power to industries. But do we take care to supply power first to the poor village artisans before we sanction it for large-scale industries? Even in sanctioning schemes for electric lighting, do we try to supply electric lights first to the villages? In the Community Projects and Village Extension Service blocks, most of our schemes are intended to assist those who possess some land or property for the security of State loans. But what about those who are landless and without any other means of earning their livelihood? Are we trying to help them in starting some cottage or village industries on a co-operative basis? Yes, there are some schemes of this kind as well but their working lacks a sense of urgency. In the rural areas, the Harijans are, undoubtedly, the worst sufferers. They have been ousted from land in most of the States; many of them have not been able to secure new plots of lands although there are some schemes for their rehabilitation. They are still unable to obtain drinking water from the village wells freely and with respect. It is not enough to give Harijan students some scholarships or some places in Government service and public institutions. We must try our best to raise their social and economic status in the remotest corner of India. In the cities, we find new and palatial houses being constructed with great speed. But the slums, even in a city like Delhi, continue to show their ugly faces to all of us who desire to establish a Welfare or a Sarvodaya State in this land of Gandhi. We are keen to rationalize large-scale industrial establishments. But have we, so far, viewed the pressing problems of the small-scale and cottage producer with sympathy and understanding?

These are some of the points which illustrate the trend of thought even among those who are keen to do good to the people and raise the standard of living of the masses. It is not suggested here at all that there is want of earnestness and honesty in our welfare schemes. But we have to cultivate a certain outlook which would enable us to take up first things first and begin by filling the ditches and cavities before undertaking the work of national reconstruction in a scientific manner. If we desire to build a house in a proper way, we must begin by levelling the ground, and cleaning the dirt and filth. Similarly, if we want to rebuild India on sound foundations, we must do away with glaring social and economic inequalities and try to help the lowliest and the poorest sections of society. We should take care first of the last man in the long queue of priorities. In short, the first should be the last and the last the first in our schemes of development. Only thus can we hope to build a New India of Gandhiji's dreams.

*September 15, 1954.*

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## ECONOMICS OF SMALL INDUSTRIES

The report of the International Planning Team on Small Industry in India has once again focussed the attention of the Government and the industrialists on the urgent need for developing Small-scale and Cottage Industries in this country for solving the problem of unemployment and, what is more, under-employment. The report rightly points out that "the Indian Market is one of the largest potential domestic markets in the world." The foreign experts have frankly stated that "the rate of development of small industries is slow, far slower than is possible." The Study Team's major impression is that the basic causes of present deficiencies in small industry are "methods of management and production which fall far short of meeting modern demands for efficiency plus reluctance or failure to adopt improved rationalised methods." The International Planning Team has recommended the establishment of multi-purpose Institutes of Technology for small industries, and the Government have already decided to implement this recommendation and have announced that four regional institutes for training in small-scale industries will be established in different parts of India. These institutes would act as Service Agencies and would assist small industries in improving their technique and production and management, in obtaining credit and finance, in securing raw materials, in marketing their goods to the best possible advantage and in promoting patterns of development calculated to make small-scale industries ancillary to large-scale industries by bringing about co-ordination of production programmes. The Government have also accepted the recommendation of the Ford Foundation Team for the establishment of a Marketing Service Corporation which would integrate its activities with those of the Regional Institutes. It has also been decided to establish a Small Industries Corporation to organise production for meeting Government orders. Other recommendations made by the team regarding a National School of Designs, Export Development Offices and the establishment of Industrial Co-operatives are under the consideration of the Government of India. In the meantime, the Government have decided to constitute a Small-scale Industries' Board which would consist of representatives of the Ministries concerned in the Government of India and of State Governments. The functions of the Board would be to control and co-ordinate the activities of the organisations mentioned above and also to frame and implement



programmes generally for the development of small-scale industries in India.

We would, however, like to examine closely the recommendations of the foreign experts on the problem of "rationalisation" in the sphere of small-scale industries in this country. The Report points out that "without rationalisation, the natural talents of Indian workers and craftsmen are being wasted in a hopeless race against modern technology. Unless and until these workers are helped to produce more goods and more wealth, neither wages nor living standards can be raised. You cannot divide what you do not produce." The Experts further expressed the view that "to prevent rationalisation, to stop the processes of modernisation, is not only illogical but it will force stagnation and retrogression of Indian small industry." They also hold the view that modernisation, instead of creating technological unemployment, would create more employment. "Improvements mean more and better products at lower and lower cost price and result in greatly expanded demands and markets and thus expanded job opportunities." These observations of the Ford Foundation Team require careful consideration and examination. We do not know whether these Experts ever cared to go to the centre of the All-India Village Industries Association in Wardha and whether they tried to understand the point of view advocated by Gandhiji. So far as we know, no such attempt was made by the International Planning Team. This is, surely, unfortunate. We are prepared to learn from foreign experts in improving our techniques of production. But if these experts come to India with the impression that Gandhiji, his co-workers and the Indian National leaders devoted no attention to this problem all these decades, they are sadly mistaken.

Gandhiji himself was not against machinery as such. He was very desirous of improving the Spinning Wheel and announced attractive prizes to those who would prepare improved Charkhas. In Wardha, he conducted continuous experiments for improvements in the techniques of Village Industries in India. Gandhiji was, therefore, not against modernisation and technological progress; he was against the "craze" for mechanisation and labour-saving devices, specially in a country like India where labour is abundant and capital is scarce. "Mechanisation is good," observed Gandhiji, "when the hands are too few for the work intended to be accomplished." "It is an evil when there are more hands than required for the work, as is the case in India." He, therefore, welcomed those machines "that

lightened the burden of crores of men living in cottages." Gandhiji was not against the use of electricity either. "If we could have electricity in every village home," remarked Gandhiji, "I would not mind villagers plying their implements and tools with electricity". The over-riding consideration in all these matters must be the human factor which essentially means the provision for full employment to the people. It is true that the techniques of production must improve if the total amount of wealth in the country has to be increased. But a mere increase in the total wealth, without increasing the purchasing power of the people by providing them adequate means of livelihood, will not solve our basic problems. Our objective, therefore, should be "full employment plus maximum production".. It should also be borne in mind that we cannot afford to depend very much on foreign markets for absorbing the products of our industries. Our attempt should be to create an increasing market within the country. This can be possible only if we employ labour-intensive rather than capital-intensive techniques of production.

We are, therefore, not against modernisation or rationalisation. But in our anxiety for improving the techniques of production in small-scale and cottage industries, we should not exceed the proper limits and create fresh problems. The content and form of rationalisation will naturally differ from country to country and from region to region even within a country in accordance with local circumstances. A particular type of technological improvement in America or Russia where labour is comparatively scarce, may be completely out of place in India where the main problem is to provide employment to the people. Even within India, a particular technique which may be good in Rajasthan, may not be suitable in Travancore-Cochin where the density of population is much higher. The application of modern techniques, therefore, requires constant vigilance, study and research in order to balance the advantages of scientific improvements and the employment potential.

We do earnestly hope that the Regional Institutes, which the Government of India would be setting up in different parts of the country, would keep all these considerations in view so that the fundamental problems of our national economy may be solved satisfactorily. We understand that the All-India Khadi and Village Industries Board has also decided to establish a Research Centre in Calcutta. Recently a training school for Khadi workers has been opened at Nasik on behalf of the Board. The Government

should try to coordinate the activities and experiments of the All-India Khadi and Village Industries Board with those of the new Small-scale Industries Board in order to avoid duplication of work and conflict of ideas. We should approach this task with an open mind without reducing a particular notion to a "fetish" or a dogma. Our approach must be scientific and rational and must not lose touch with the realities of the situation. Any kind of orthodoxy, either for modernisation or for old techniques, would be suicidal.

*July 1, 1954.*

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## PLANNING FROM THE BOTTOM

One of the Directives of the Indian Constitution is that "the State shall take steps to organise Village Panchayats as units of self-government." Gandhiji also laid great stress on the desirability of decentralising economic and political power in India through the revival of Gram Panchayats. His dream of true Swaraj consisted in the creation of "self-sufficient and self-governing village republics" throughout the country. Fortunately, almost all the State Governments have already enacted the necessary legislation for instituting Village Panchayats in their respective areas. Their constitutions and powers differ considerably from State to State. But they do contain potential seeds of rebuilding up our new democracy from bottom upwards on the basis of well-organised rural communities.

Village Communities in India have formed an integral part of our national life from times immemorial. Gramini or the leader of the village is mentioned in the Vedas: reference to Gram Sabhas is found in the Jatakas as well. The Dharma Sutras contain frequent references to Gana and Puga which denoted village and town corporations in Ancient India. The Indian rural republic continued to flourish during the Hindu, Muslim and Peshwa governments till the advent of the East India Company. They survived the wreck of dynasties and downfall of Empires. As Sir Charles Metcalfe observed, the village communities "seemed to last where nothing else lasts." In the words of Sir Charles Trevellyn, the Village Municipalities "have stuck to the soil like their own Kusha grass." It was mainly during the British regime that these Village Panchayats gradually died down owing to excessive centralisation of administration and economic organisation.

It is being recognised by all the leading political and social thinkers of the West that modern democracy, in order to succeed as a practical measure of socio-economic organisation, must be decentralised. "If men's faith in social action is to be revived," states Prof. Joad, "the State must be cut up and its function distributed." Dr. Boodin also regards "small, closely-knit republics to be the true moral units of civilisation." Modern Sociology upholds the principle that "man is happiest when living in small communities." Analysing the drawbacks of modern States,

Prof. Adams wants us "to go to the root of the trouble and pursue a bold policy of devolution, of decentralisation." Lewis Mumford, the well-known American Sociologist, recommends the building up of "small balanced communities in the open country." In modern America the small communities are yet playing a very important role in the revival of rural life and cooperative effort. "Kentucky on the March" is a romantic story of men and women working together for the common good of all in a "Small Town Renaissance" emphatically asserts that "Small Town Renaissance" emphatically asserts that "vigorous small communities provide the only atmosphere in which democracy can thrive and remain a powerful force." Dr. Borsodi has been trying the same experiment of decentralised, small-scale community in his School of Living near New York. Dr. Morgan's work at Yellow Springs, Ohio, for the organisation of Community life is also a heroic attempt to preserve and stabilise the democratic way of life.

The idea of Village Panchayats is, thus, not a medieval conception; nor is it a relic of tribalism. As Dr. Radhakrishnan remarks, "going back to villages is not to become primitive: it is the only way to keep up a mode of existence that is instinctive to India." Dr. Radhakamal Mukerjee in his "Democracies of the East" points out how the village communities "will furnish the basis of a new type of polity which in its coordination of diverse local and functional groups will be more satisfying in the State constructions of the future than the centralised structures of the parliamentary pattern". Instead of being old-fashioned and out-of-date, this pattern of rural panchayats as the basic units of administration and economic organisation is in accordance with the spirit of this Age of scientific progress. Science, with all its modern technological achievements, should make for decentralisation rather than for centralisation. It is also not right to think that village panchayats will lead to isolationism. Even in ancient times there was well-organised coordination at all levels. In fact, the progress of science and democracy must inevitably promote devolution of economic and political power in modern times.

National Planning under democracy can succeed only if we try to build and plan from the bottom and not attempt to force plans down the throats of people from the top. The essence of sound economic planning is, therefore, decentralisation in the form of well-knit rural and even town Communities. We are glad to find that the First Five-

Year Plan in our own country is aware of this need for decentralisation in the economic sphere. The scheme of Community Projects and the National Extension Service is a step in the right direction, although there may be honest difference of opinion regarding the details. The plans for Local Projects are, in our opinion, the very heart of our National Plan. But these Local Projects can succeed on a lasting basis only if there are well-organised small communities in the form of Panchayats throughout the length and breadth of India. Our civil and judicial administration also can visibly improve if we seriously attempt to build the edifice of our Swaraj from the very bottom, i.e., the village community.

The ancient traditions of Village Panchayats in India have been in the direction of "composite" democracy as against the present type of "party" democracy. The voice of the Panchas was always considered to be the voice of God. Elections to the Panchayats were mostly unanimous: whenever it was not possible to achieve unanimity, election was completed by means of lots drawn by the youngest child in the village. If we desire to rebuild the country from the bottom on sound foundations of democracy, we must resuscitate our Panchayats on the traditions of composite democracy. It is but proper that the Congress Working Committee has instructed the Pradesh Congress Committees that, as far as possible, Congress should not try to contest the Panchayat elections on a party basis. The Praja Socialist Party is also of the same view. It is hoped that other political parties in the country will consider this matter seriously and solemnly decide not to make the Village Panchayats an arena for party politics. We must all cooperate whole-heartedly in revivifying our ancient Panchayat traditions on the model of a broad-based, non-party, non-communal and enlightened democracy. Only then can we hope to reconstruct India according to the real genius of the nation.

Before we plan for a more systematic and well-organised establishment of Village Panchayats in the country, it is very essential to collect all relevant data regarding the existing condition of the rural communities in different States. We must make a comparative study of the Panchayat Acts in various parts of India. The AICC is planning to collect detailed information and statistics in this connection and publish it as early as possible for the guidance and benefit of all those who are vitally interested in this problem. This publication will serve as the basis

for future reforms in the working of village Panchayats in India. We earnestly appeal to all concerned to help us in this important national task of planning the welfare of our toiling millions from bottom upwards.

November 1, 1953.

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## MEN AND MACHINES

In India today there is a race between men and machines. On the one hand, millions of people are clamouring for work and fuller employment, and on the other, technicians and industrialists are busy devising improved types of labour-saving machines to reduce dependence on human labour. All this is being done in the name of modern science and technological progress. A number of dams are being constructed in connection with our Multi-purpose River Valley Projects. In place of masonry work, we are using cement-concrete. Our engineers and technical experts hardly realise the difference between the two from the standpoint of employment. Masonry work, involving the use of lime and bricks, is capable of providing additional gainful employment to a large number of workmen. Cement-concrete structure, although quicker in construction, is not a very suitable technique in a country like India where the main problem is the need for absorbing human labour. Thousands of tube-wells are being constructed in different parts of the country. But, instead of using hand-drilling apparatus, our engineers are employing very expensive American machinery which, undoubtedly, does the work expeditiously but does not allow millions of our half-employed people to become active partners in the national enterprises. The village craftsmen are trying hard to eke out their livelihood by sticking to their cottage industries like handloom-weaving, oil-pressing, rice-pounding, gur manufacture and hand-printing. But the industrialists continue to import latest kinds of textile machinery, oil-presses, sugar mills and hullers which force the village industries to go out of production. We have no love for the bidi-making industry; it provides employment to about six lakhs of persons. But new machines have now been manufactured within the country which, if allowed full scope by the Government, would throw out about five lakhs of bidi-makers out of employment.

These are only a few instances to illustrate the main point. Not that we are against machinery as such. It is very wrong to think that machinery by itself is good or bad; it is its use that makes it so. Mahatma Gandhi also was not against machines; he was opposed to "the craze" for machinery and labour-saving devices. No body can possibly be against those types of machines which are time-saving;



we all welcome modern means of communication like the railways, aeroplanes and the motor-car. There are machines of destruction like the arms and ammunitions; nobody would advocate their unwarranted use for human slaughter. The main controversy is about machines of production. They are of two types—labour-saving and labour-absorbing. Labour-saving machinery is good in a country or a region where the hands are few, but it becomes a real menace where the hands are forced to be idle for several months in a year. A machine which is a boon in the United States of America will be a veritable curse in an under-developed country like India where capital is scarce and labour is abundant. Our ultimate ideal is the welfare of man. Machines which help man in increasing his per capita productivity without ousting his labour are surely desirable. But machines which displace human labour and make men their slaves or “cogs” are not beneficial to humanity. We must remember that man must be the over-riding consideration in all our schemes of industrial and economic development. Gandhiji also told us that “man is much more important than machines.”

India is today faced with the difficult problem of unemployment and, what is more, under-employment. A number of recipes are being prescribed by foreign and Indian “experts” for solving the problem. But it is being realised more clearly day by day that it is impossible to provide fuller employment to our people in India without organising decentralised production in the form of small-scale, cottage and village industries. The First Five-Year Plan has drawn pointed attention to this aspect and the Government of India has also accepted the scheme of village industries as an integral part of its economic policy. All the large-scale establishments in India today absorb only about 3 million workmen with an investment of approximately 1,500 crores of rupees. Those persons who still dream of solving the unemployment problem through large-scale industrialisation in India do not realise the fact that even if it is possible to find the necessary money for investment in big factories, it will be impossible to find adequate markets for the manufactured goods. It is now too late in the day, even though we may not object to it on moral grounds, to think of winning foreign lands for colonisation and Imperial designs. Talking of tertiary employment in large-scale production is also meaningless because such subsidiary employment could be found in small-scale manufactures as well. It is, therefore, absolutely essential purely from the economic point of view that the State provides the widest scope for the expansion

of small-scale and village industries in India for affording to the citizens of this country ample opportunities for earning their livelihood through productive employment. The Economics of Khadi and Village industries is not a "fad" of a few Gandhians; it is indispensable for fulfilling the Directives of our Constitution and for preserving peace and democracy in this land. With our large population and very limited capital resources, it would be suicidal for us to imitate rich and highly developed countries like the U.S.A. and the U.K. Our problems are more akin to those of China and Japan which are the homes of small-scale and cottage industries. Mere lip sympathy for cottage and village industries will not do. We must decentralise or perish.

We are told that village industries would put the hands of the clock back and reverse the engines of progress in economic development. It is also pointed out that decentralised production would lower our standards and reduce our quantum of manufactures. This is based on a wrong notion. It is true that, for some time, we may have to be content with coarser and costlier goods. But modern technology is developing so fast that decentralised machines may soon outpace the centralised machinery in both efficiency and productivity. Industrial Revolution began with the use of coal energy. Some amount of centralisation of industries was inevitable because of the use of coal. The use of electrical energy has made it possible to disperse industries in the countryside. Atomic energy is now being put to civilian use and, within a decade or two, it may bring about complete revolution in the technique of industrialisation. We have no doubt in our minds that the use of Atomic power will make for complete decentralisation of industries. In fact, modern science and technology is gradually rendering centralised industries 'unscientific'; decentralised pattern of production would be the only scientific technique of industrial development in time to come. With improved technique, small-scale and cottage industries will also be cheaper than the present large-scale factories and mills. Even in a highly industrialised country like the U.S.A. there is a movement for dispersal of industries. The Atomic Age is forcing the pace of decentralisation from the standpoint of national defence also. Large-scale factories become easy targets of bombing specially in Atomic warfare. Labour-capital conflict is another important factor which would promote decentralised production because in the small-scale and cottage industries the wage-earners and owners of productive resources are identical. Industrial Cooperatives would be

not only more efficient technologically but also more progressive sociologically.

Now is the time for decision. It is no longer desirable to follow a policy of "drift". We must make up our minds and act in a determined manner. We see no salvation for India without giving a fair trial to the Gandhian type of national economy. Unemployment, poverty and hunger are our real enemies; they cannot be liquidated without spreading a net-work of small-scale and village industries throughout the country. The vested interests are bound to resist this decentralisation of economic power because it provides little scope for exploitation and easy profits. But the pressure of these vested interests must be resisted with determination in order to preserve democracy and peace in this ancient land. There is no time for a gradual change in policies. World events are moving very fast and we cannot afford to be complacent. We must act with a sense of urgency; the price of progress and liberty is eternal vigilance. A Welfare State must first care for its citizens as human beings. Machines have to be regarded as servants of men and not their masters. Any system of national economy which attaches more importance to machines than to human beings is bound to lead to ruin and disaster.

*December 15, 1953.*

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## ENEMY NUMBER ONE

The right to work and earn one's bread with the sweat of the brow is the birth-right of every citizen of a State. The system of doling out financial assistance without providing any gainful employment is physically, mentally and morally degrading both to the individual as well as the State. The dignity of man essentially consists in exerting his body, mind and spirit to earn his livelihood. Gandhiji always taught us the value of "bread-labour"; the quintessence of Indian philosophy of life is the well-known dictum that he who eats without rendering hard work is a thief. It is, therefore, quite natural that modern economic planning regards Full Employment as the basic objective of national development. Unless we are able to provide full work to every able-bodied citizen of India, all our schemes and plans would be meaningless and futile. In fact, a stable system of democratic government is impossible of achievement without planning for full employment. To plan for greater production without ensuring fuller employment to the people is to build our national structure on sands.

According to the latest Census figures, the total population of India is 356.8 millions, out of which about 250 million people are engaged in agricultural and 107.8 million in non-agricultural occupations. It is proverbial that the Indian farmer suffers from chronic under-employment for several months in the year. He, therefore, urgently needs the support of certain subsidiary industries for supplementing his meagre income. Moreover, there is, at present, too much pressure of population on land in India and millions of people ought to be weaned away from land in order to make for scientific and profitable agriculture in the country. As regards non-agricultural population, 37.6 million people are engaged in industries, out of which only 2.5 millions are employed in large-scale establishments and the rest are artisans and craftsmen. These village artisans are also not fully employed and live from hand to mouth. Other non-agricultural occupations, according to the 1951 Census, are 'Commerce' which is supposed to engage 22.2 millions, Transport which provides work to 5.6 million people and Miscellaneous Services, including domestic servants, which absorb about 43 millions. Most of the persons engaged in Commerce are petty shop-keepers and middlemen who will be easily ousted from employment, if the agriculturists take

to co-operative marketing. The miscellaneous services are also mainly part-time occupations of a non-descriptive character. This analysis of occupational distribution in India clearly indicates the gravity of the stupendous problem of Unemployment and what is more, partial employment.

The question of providing employment to the educated young men of the country is assuming threatening proportions. On the one hand, the State Governments as well as the Union Government are trying to expand educational facilities both in the urban and the rural areas; on the other, our schools and colleges of the existing pattern are directly swelling the ranks of the educated unemployed in India. These unemployed youth are a potential danger to the functioning of democracy in the country; they threaten the very foundations of our socio-economic structure and political stability. Both in the rural as well as the urban areas, therefore, the spectre of Unemployment haunts our newly-won freedom with threats of violent upheavals. It is not Communism that is our real enemy; it is only a symptom of a chronic disease—the malady of hunger and poverty. Our Enemy Number One is the ever-yawning gulf of Unemployment and Under-employment in the country.

The First Five-Year Plan has devoted one full chapter to this vital problem of employment in India. But it has not been possible for the Planning Commission to come to real grips with this stupendous problem. According to the calculations in the Plan it may be possible to provide an additional employment to 4 lakhs of people in new industries, both small-scale and large-scale;  $2\frac{1}{2}$  lakhs annually might be absorbed in major irrigation and power projects; additional work for about  $1\frac{1}{2}$  lakhs of persons annually will result from repairs to old tanks, wells, reservoirs, etc., for minor irrigation schemes. Land reclamation schemes according to the estimates of the Planning Commission, will result in the extra employment of about  $7\frac{1}{2}$  lakh persons. About a lakh may be absorbed in the public and private sectors of building and construction; 2 lakh persons are likely to find jobs relating to the construction of roads. So far as cottage industries are concerned, the Five-Year Plan visualises that about 20 lakhs of persons may be provided with employment through such industries; partial employment may also be given to about 36 lakhs of people, particularly by means of cotton handloom industry. These figures of additional employment are not, and in the very nature of things, cannot be ambitious; they may be

considered to be only a good beginning. It has to be realised by all of us that the road to full employment lies through very arduous and patient labour for effecting structural changes in our socio-economic pattern.

A lasting solution of the Unemployment puzzle consists in bringing about a few radical reforms in our economic and educational systems. Firstly, far-reaching land legislation has to be enacted in India with a view to achieving land redistribution on a vast scale. According to Acharya Vinoba Bhave's calculations, about 5 crore acres of land should be distributed among the landless labour within a few years providing employment to one crore families. According to Planning Commission's own recommendations, an absolute ceiling on land must be imposed as early as possible and the real tillers of the soil should be made the owners of land. Secondly, our industrial structure must be re-orientated boldly in order to decentralise the consumer-goods industries. Unless we follow a courageous policy of revivifying the small-scale, village and cottage industries in India, the aim of providing full employment to the millions of poverty-stricken people would remain an empty dream. To try to develop small-scale industries without in any way curtailing the scope and expansion of large-scale industries would amount to toying with the vital question of liquidating enforced idleness in the country. We must, of course, harness the benefits of modern science for making our small-scale and cottage industries as efficient as possible. But without a strong will and determination to rehabilitate the displaced cottage and village industries in our country, all talk of economic planning for establishing a Welfare State would be regarded as "sound and fury signifying nothing." Thirdly, our educational system must undergo complete over-hauling so that our young men and women may be able to work and learn and earn in our educational institutions instead of merely leaning and yearning for employment as at present. The Basic system of education, as visualised by Gandhiji, ought to become the very foundation of our future educational structure. During their student days, our young boys and girls should not only receive education in the so-called academic subjects like history, geography, science and civics, but should also receive training in a few handicrafts through which they can earn their livelihood after completing their courses in schools and colleges. And lastly, we must learn to patronise Swadeshi goods produced by our own neighbours. Instead of grumbling about their higher prices, we should purchase the cottage products in a spirit of patriotism and fellow-feeling.

Let us not under-estimate the strength of our Enemy Number One. It is a standing challenge to democracy and peaceful transformation of society. Time is of the essence. The problem of Unemployment, poverty and hunger has to be tackled with a sense of urgency. Delay would be suicidal and disastrous. We must wage war against Unemployment in a crusading spirit; it should be regarded almost as a "Do or Die" mission.

*May 15, 1953.*

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## ECONOMICS OF VILLAGE PANCHAYATS

The Congress Working Committee have earned the gratitude of the country by adopting a resolution on Village Panchayats at its recent meeting in Delhi. The Committee noted with appreciation "the progressive introduction of the Panchayat system in various parts of India" and expressed the view that "the system is not only in keeping with the ancient traditions of India but is suited to present-day conditions." The tendency of a modern State towards centralisation should, in the opinion of the Working Committee, be "balanced by the growth of local self-governing institutions so that the mass of the people should themselves participate in this business of administration and in other aspects of community life, social, economic and judicial." The Committee particularly welcomed the establishment of Nyaya or Judicial Panchayats "which should reduce the burden on the regular courts and make justice available on the spot in a considerable number of relatively petty matters and thus make it both speedy and inexpensive also." Such Panchayats should be developed throughout the country "in accordance with local conditions and traditions and represent the entire community in the area concerned irrespective of caste or creed."

We attach very great importance to this resolution of the Congress Working Committee because it underlines the urgent need for a bold policy of decentralisation of social, economic, administrative and judicial powers with a view to building up New India on sound, democratic lines. In one of the Directive Principles of the Indian Constitution it has been clearly laid down that the State "shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government." The resolution of the Working Committee is a big step in the direction of establishing such panchayats in accordance with the genius and traditions of India through the Ages. The Kalyani Session of the Congress also laid great stress on building up the second Five-Year Plan "with the co-operation of the panchayats, village communities, local bodies and the like so that it should be a People's Plan and local leaders should assume responsibility both in the formation of the Plan and later in executing it." The Planning Commission have accepted this idea of decentralised planning and have recently addressed a circular letter to all the State



Governments to the effect that "local initiative in formulating plans and local effort and resources in carrying them out should be stimulated to the maximum extent possible."

Almost all the State Governments have already enacted legislation for establishing Gram and Nyaya panchayats in their respective regions, although there is considerable degree of diversity in such legislation in accordance with local conditions and traditions. It is now necessary to pool the experiences gained in different States in regard to the working of these panchayats with a view to making them more effective instruments of administrative and judicial decentralisation as well as of national economic planning. In some States, these panchayats are constituted through elections; in others, they are nominated by the local authorities. In some States, they are partly elected and partly nominated. It may be possible to evolve a certain degree of uniformity in the formation of the panchayats by devising a better system of elections. The study of old inscriptions in South India has revealed the fact that the ancient panchayats were elected almost unanimously and wherever this was not possible it was customary to draw lots with the help of the youngest child in the village. It may be desirable to adopt this system with certain modifications to suit modern conditions. We may also try to evolve a system of nominations out of a panel elected by the village community. There is considerable diversity in mutual relations between the Gram and the Nyaya panchayats in different States. In some States, the Nyaya panchayats are in the nature of sub-committees of the village panchayats; in others, the two types of panchayats are constituted on an entirely different basis with hardly any connection with each other. The powers of administration and taxation of the village panchayats also differ in different parts of the country. All these points require serious study and cool consideration by the Sub-committee on Panchayats appointed by the Congress Working Committee.

India has been the home of village panchayats from times immemorial. Detailed references to them are found in the Vedas, the Jatakas, the Dharmasutras, in the Mahabharat, Manusmriti, Sukranitisara, Kautilya's Arthashastra and the records of the Muslim rulers and the East India Company. Many dynasties and empires rose and fell, but these tiny republics continued their existence almost undisturbed. It was only during the British regime that they suffered a serious set-back because of the excessive greed of the foreign rulers in the collection of land revenue

through a highly centralised system. But the broken threads are again being collected and joined together by the popular governments and we have no shadow of doubt in our minds that the village panchayats will again play a very vital role in shaping the destiny of New India according to the dreams of the Father of the Nation. During the last few decades, the panchayats fell on evil days and the people lost confidence in their efficacy and dignity. It will, therefore, take some time before they are able to regain the lost prestige among the rural communities. There is, however, no cause for any kind of despair or disappointment.

We would like to lay special stress on one aspect of the village panchayats. In ancient India, the panchayats were held in very high esteem; they were shown great respect and consideration by the people because they were regarded as the manifestations of Divinity. "Panch Parmeshwar" was the lofty ideal of these village communities. The panchas were respected as the representatives of God himself. The main source of this deep respect and regard for the panchayats was the principle of unanimity in the election or selection of the Panchas. The elders of the village, belonging to different castes or communities, were elected by the whole village meeting almost unanimously. There were hardly any evils of the present system of electioneering campaigns on party lines. As we have pointed out earlier, in cases of difference of opinion, the system of drawing lots was in vogue, more specially in Southern India. It is this principle of unanimity which, in our opinion, was the soul of panchayats in ancient India, and it is this very principle of unanimity and collective goodwill that requires revivification in the existing circumstances. In order to promote and directly encourage unanimity and goodwill among the people, it may be desirable to invest with more powers and authority those panchayats which elect their Panchas unanimously; panchayats which are unable to demonstrate unanimity of this kind should be classed as second-class institutions possessing less power and prestige than the first-class panchayats. Such a system would engender healthy emulation among different village panchayats and would ultimately evolve a sound structure of decentralised democracy in this ancient land of ours.

Democracy in the West today suffers from a multitude of sins. It is too centralised and too mechanised. India can show a much better way to the Western world by evolving a new model of decentralised and composite democracy in conformity with her ancient heritage. "True

democracy," observed Gandhiji, "could not be worked by twenty men sitting at the centre; it had to be worked from below by the people of every village." The success of economic planning under a democratic set-up would largely depend on the establishment of village panchayats in India on firm and healthy foundations.

*June 1, 1954.*

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## ECONOMICS OF "RATIONALISATION"

While replying to the general debate on the Budget, the Finance Minister, Shri C. D. Deshmukh, made a few observations regarding the policy of rationalisation in Indian industry. He pointed out that with the emergence of a buyers' market, competition in international trade had grown very keen and difficult and the problem of replacing obsolete machinery by improved machinery had become all the more important. The Finance Minister observed that "while everything possible should be done to alleviate hardship caused to labour temporarily displaced, they should not do anything which would ban all technical progress and inhibit the growth of employment." These observations of Shri Deshmukh have evoked considerable discussion both in the Congress Parliamentary Party as well as in the spheres of labour and industry. We welcome this discussion in a spirit of constructive criticism because it deals with a very vital aspect of our national economic planning.

After the First World War, Germany was forced to reconstruct her industries on a more scientific basis by eradicating all causes of waste and inefficiency. This process of reconstruction was known as "rationalisation" which became a popular cult in the post-war world. Rationalisation of industry in current economic phraseology connotes modernisation, scientific management and amalgamation. It will be wrong to interpret the term in a narrow way and condemn it in a general manner. Everybody desires to adopt a "rational" approach to industrial problems and a sweeping condemnation of rationalisation would, indeed, be highly irrational. But we should also try to understand clearly that rationalisation cannot and should not be reduced to a "fetish" or an orthodoxy. It only connotes a scientific approach to our economic and industrial problems which differ from region to region in accordance with local circumstances. Rationalisation may mean one type of industrial organisation in the United States of America where labour is scarce and capital is abundant; it may mean quite a different pattern of industrialisation in a country like India where capital is scarce and labour is abundant. It would, therefore, be wholly irrational to plead for rationalisation of industry in India on the American model.

In India the fundamental problem that faces economic planners is the question of absorbing the unemployed or under-employed man-power both in the rural and urban areas. As a matter of fact, our idle labour power is our real national capital which must be tapped effectively for producing additional wealth in the country. "Mechanisation is good," observed Gandhiji, "when the hands are too few for the work intended to be accomplished". "It is an evil when there are more hands than required for the work, as is the case in India." Gandhiji, was, therefore not against machinery as such; what he was against was the "craze" and "indiscriminate use" of machinery. "I would welcome," said Mahatma Gandhi, "the machine that lightens the burden of crores of men living in cottages." If we could have electricity in every village home I would not mind villagers plying their implements and tools with electricity." Mr. David Morse, Director-General of the I.L.O., in the course of his Annual Report for 1953 also observed that "it would be inappropriate to attempt to adopt in countries where labour is abundant and cheap and capital scarce and dear, the capital-intensive and labour-saving methods of production which are appropriate in such countries as the United States and Canada." In a country like India, therefore, the proper formula of industrial reorganisation ought to be: Full employment plus maximum production. Any attempt to provide fuller employment without trying to increase per capita productivity of labour would be suicidal in a country with backward economy. At the same time, all plans to augment total industrial production without providing for fuller employment opportunities to the millions of our unemployed or partially employed countrymen would amount to a national crime of the worst order. The correct solution of our economic ills, therefore, lies in balancing the twin objectives of fuller employment and increased productivity.

It is wrong to think that an increase in per capita productivity is possible only through large-scale industrialisation. As a matter of fact, in this age of modern science and technology, centralisation of production is a highly unscientific proposition. As the Prime Minister recently pointed out, the Industrial Revolution had to establish big factories because it largely depended on coal as the source of power. With the invention of electricity a much larger degree of decentralisation is not only possible but also desirable. If within the next one decade or two it becomes possible to use Atomic energy for civil and industrial purposes, decentralisation of industries would be inevitable.

To try to employ large-scale mechanisation in an age of Atomic energy would indeed, be highly irrational and unscientific. We would go a step further. Even in the age of modern science, too many labour-saving devices merely for increasing productivity of wealth are very unwise and even inhuman. It is astonishing to find that despite dizzy heights that America has achieved in the domain of industrial production, there are even today about 37 lakhs of people who have to be maintained by the State as unemployed labour. The lot of these unemployed "dole-eaters" is surely very unenviable; they suffer miserably not only physically and mentally but also morally and spiritually. In India, we would like to develop a system of decentralised industrial economy which would provide work to all rather than "doles" to some. We are not against efficiency and technological progress provided it promotes human welfare and evolution. In computing the costs of production through merely mechanical devices, we should never lose sight of the social costs which are involved in human suffering and degradation as a result of unemployment. In other words, our ideal should be "economic efficiency" and not merely "mechanical efficiency." Mere technological progress results in society where "wealth accumulates, but men decay."

These days, we hear much about the urgent need for "capital formation". We are told by financial "experts" that economic development specially under a backward economy cannot be achieved without finding more capital for further investment. This is, of course, true to a large extent. But it is no use reducing this idea to a dogma or an economic creed. To my mind, much more important than capital formation is the urgent need for setting up an organisation for harnessing the idle man-power of India for developmental purposes. It is evident that even for utilising this unemployed man-power, some amount of capital would be essential. But the fact remains that our real capital in India is that of "enforced idleness" which could be very profitably used as "spontaneous activity" for re-building New India of our dreams. Instead of talking too much about "capital formation", it would, therefore, be more appropriate to discuss the problems of "labour organisation". Our industrialists and economic "experts" have turned the question of capital formation into a bogey and even a myth; it is high time the myth is exploded with understanding and constructive criticism.

It is said that ours is a "mixed economy" in which the private sector must be given ample scope for expansion and

development. It is also contended that process of rationalisation is almost inevitable under a mixed type of economy. To be frank, we do not very much relish the term "mixed" economy; it savours of mixed or confused thinking and indecisive action. A much better word for the kind of "golden mean" economy that we visualise would, perhaps, be a "balanced" or "middle" economy. We desire to avoid both the extremes of capitalism and totalitarianism by following the middle way of decentralised economy for consumer goods industries and nationalisation of the 'key' or mother industries. We have no doubt in our minds that this type of "middle economy" is the best for India under the existing circumstances. The canting critic turns round and remarks: "By encouraging cottage and village industries in the country, you shall only distribute poverty." The industrialists are now trying to use this remark almost as a slogan to damn cottage and small-scale industries. We desire to stoutly refute the implications of this unfair and unjust remark. If fruits of latest technique and research are made available to the cottage and village industries, we are sure that their efficiency and productive capacity would improve considerably. In fact, even a world-renowned industrialist like Henry Ford admits that, "as a general rule, a large plant is not economical" and that "big business must scatter through the country not only to obtain the lowest costs but also to spend the money of production among the people who produce the product." At any rate, we would earnestly plead for the redistribution even of "poverty" in order to stop without any further delay this vulgar display of wealth in our country in the form of "cocktail" parties, receptions, palacial houses and luxury cars. New India of Gandhiji's dreams is now taking shape and the gaping gulf between the rich and the poor cannot be tolerated any further.

*April 1, 1954.*

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## CEILINGS ON LAND

The Five-Year Plan has made it quite clear that one of the basic principles of India's land policy ought to be that "there should be an absolute limit to the amount of land which any individual may hold." This limit or ceiling on land holdings will, naturally, have to be fixed by each State in accordance with its own agrarian history and present circumstances. The Planning Commission has, therefore, set up a Central Land Reforms Committee to assist various States in the collection of the requisite land data for the fixation of ceilings on existing land holdings. The Planning Commission has also divided large individual holdings into two categories: those which are so efficiently managed that their break-up would result in fall in production and those which do not meet the required standards. For the latter category, the Commission recommends that Land Management legislation should be undertaken by different State Governments as early as possible. The A.I.C.C. session at Agra also resolved that "the pace of progress must be quickened more specially in regard to land reform." The Committee attached the greatest importance "to the introduction of far-reaching land reforms in India". "While progress has been made in this direction by several State Governments, much yet remains to be done in order to make the actual tillers of the soil the owners of land." The A.I.C.C., therefore, called upon all State Governments "to take immediate steps in regard to the collection of the requisite land data and the fixation of ceilings on land holdings with a view to redistribute the land, as far as possible, among landless workers."

We have no doubt in our mind that the Government of India, as well as the State Governments, would continue to give the highest priority to the introduction of far-reaching land reforms in India particularly relating to the distribution of land among the landless tillers of the soil. It is quite obvious that sufficient land cannot be made available for redistribution unless a ceiling is placed on the existing land holdings. It is no use satisfying ourselves by merely fixing a limit on future acquisition or resumption. It will be hardly proper to put a ceiling on future transfers without touching the existing large farms running into hundreds or even thousands of acres.



We do not mean, however, that uniform ceilings should be fixed in all the States for all qualities of land. The ceilings will surely differ with different regions and categories of soil. We are also not pleading for a very low ceiling to begin with. It will not be proper to be very strict only with land-owners while glaring inequalities continue to exist in the other social and economic sectors of our national life. We do not mind if the ceilings are fixed a bit liberally in the initial stages. But to try to avoid the fixation of any ceilings on existing holdings is highly unfair. What justification is there for landowners to still continue to possess hundreds of acres while there are 4.5 million landless agricultural labourers in our country? Land is a gift of Nature and can neither be increased nor decreased by man. The problem of economic inequalities must, therefore, be tackled on the land front in the very beginning. Inequalities on other fronts cannot be left alone; they will also have to be taken up and removed in other spheres of property or wealth. The Estate Duty Act which came into force on 15th of October 1953 is the first step in this direction. It has to be followed up by other similar steps for fostering economic equality and pulling down the existing wall between the 'haves' and the 'have-nots'.

While fixing land ceilings, a few points may be borne in mind. Special concessions may be granted for plots of land which are cultivated on a cooperative basis. In order to save the Joint-family system from disintegration, ceilings for land vested in such Joint-families may be, say, three times higher than those for individual families. As regards compensation for the land made available after the fixation of ceilings, payment may be spread over a period of 25 or 30 years through a Land Commission. Moreover, only the management of land over and above the ceilings may be taken over by the State without necessarily raising the question of compensation. As suggested by the Planning Commission, the State may lease out such plots of lands to tenants according to specific contracts and the cultivators may be asked to pay annual rents to the landowners through an agency of the Government. According to this arrangement, it will be possible to redistribute lakhs of acres of land to the rural labourers without the need for payment of compensation.

Acharya Vinoba Bhave's Bhoodan Yagna has been extremely helpful in creating a proper atmosphere for the enactment of suitable legislation for affecting land reforms in the country. In fact, the minds of the people are now fully ripe not only for a ceiling but also a 'floor' for large

farms. Vinobaji is of the view that mere fixation of ceilings will not be very useful for procuring enough land for redistribution among the landless peasantry. He holds that the State should now fix 'floors' for big farms. For example, the State should make available, say, 5 acres of land to each family which is prepared to cultivate land through its own labour. The question of a ceiling may be considered only if there is surplus land available after the redistribution of land among all the cultivating families. All this means that the country is now prepared for far-reaching land reforms and any attempt to delay such legislation will be very harmful to the cause of social and economic progress in India.

All of us have to understand once for all that our political freedom without substantial measure of social and economic freedom would not be of much avail. Economic freedom could be attained by bridging the yawning gulf between the rich and the poor and by pulling down the glaring inequalities that exist in modern society. We must also provide fuller employment to the millions of our countrymen who are today without adequate work and livelihood. For achieving these objectives, far-reaching measures for the redistribution of land and national wealth are of paramount importance. We expect that all the State Governments would view this problem with a sense of emergency and take all the necessary steps without further loss of time.

*October 15, 1953.*

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## BHOODAN AND ECONOMIC REVOLUTION

The Sarvodaya Sammelan at Bodh Gaya was of special significance from several points of view. It was of a very representative character this year; besides thousands of constructive workers from all parts of the country, it was attended by the President, the Vice-President and the Prime Minister. A number of Ministers, both at the Centre and in the States, about a dozen members of the Parliament and important representatives of the Congress and the Praja-Socialist Party also participated in the deliberations. Acharya Vinoba Bhave with his Bhoodan Yagna has now rightly become the symbol of a great economic revolution which is sought to complete the process of political freedom through peaceful and democratic methods. As the resolution of the Sarva Seva Sangh pointed out, Bhoodan is only the first step towards the bloodless revolution which Vinobaji desires to bring about in India by the end of 1957. The year 1757 marked the beginning of the British rule in India at the battle of Plassey; in 1857, the people of India revolted against the foreign rulers and laid the foundations of a political revolution in this country. Acharya Vinoba earnestly feels that the year 1957 must witness the success of a peaceful economic revolution in India. Bhoodan Yagna will naturally be the spearhead of this revolutionary movement; but the establishment of economic equalities in both rural and urban sections of society through a radical change in the basic values of life would require a far-reaching reorientation in the pattern of industrial organisation in this country. The Sarvodaya Sammelan was of the definite view that "a self-supporting decentralised economy" was the only means "for the achievement of economic emancipation of the people." As regards the land policy, the Sammelan laid great stress on the need for redistributing the Bhoodan lands among the landless peasantry without any further delay. Out of about 25 lakh acres collected so far, less than a lakh acres have been distributed among the people. The slow pace of land distribution has been mainly due to certain legal difficulties as also the dearth of constructive workers for the purpose. We, therefore, welcome the decision of the Sammelan to expedite the process of land redistribution. The target fixed by Vinobaji is the collection and distribution of 5 crore acres of land by the end of 1957. The achievement

of this target would, surely, require the spontaneous and sincere help from all sections of the public.

Conflicting opinions were expressed at the Sammelan regarding the role of legislation in the task of land reforms. Some leaders were of the view that the Bhoodan movement was capable of solving the land problem in India without the assistance of legislative measures. They went to the extent of stating that legislation would thwart the very objective of Bhoodan by interfering with the non-violent process of persuasion and a change of heart. Others felt that land reforms could not be effected without introducing radical legislative measures. We think that there is no inherent conflict between the Bhoodan movement and the legislative process, the two can supplement each other for achieving the common objective. Acharya Vinoba has rendered conspicuous service to the noble cause of ushering in a non-violent economic revolution in this country through his Bhoodan and Sampatti-dan movements. But the popular and democratic State Governments cannot get rid of their own responsibilities by leaving the whole task of land redistribution on the shoulders of Vinobaji. They can undertake legislation in consultation with Acharya Vinoba to further the cause of making the actual tillers of the soil the owners of land. In fact, several State Governments have already passed Bhoodan Bills for facilitating transfers of land-gifts to the landless peasantry. Bhoodan Yagna has eminently succeeded in creating a healthy and favourable atmosphere for the introduction of far-reaching land reforms in the country; it has demonstrated to the world that the land problem could be effectively solved through peaceful methods. Suitable legislation to speed up and supplement this peaceful process should, in our opinion, be welcomed and encouraged. In fact, we are sorry that the pace of land reforms in India has been considerably slow during the last few years. Abolition of Zamindari and the other intermediaries in land was, of course, a revolutionary step. But merely this abolition of feudal exploitation would not solve the problem. According to the Five-Year Plan, the land census ought to have been completed by the end of 1953. It is unfortunate that the Planning Commission has not been able to get this important work done within the specified period. It is true that it would be difficult to undertake suitable land legislation without possessing the requisite facts and figures. We, therefore, suggest that the Planning Commission should try its best to complete the land census by the 15th August of this year so that necessary legislation in terms of the provisions in the Five-

Year Plan may be initiated by different State Governments during the remaining portion of 1954 and during 1955.

It has been pointed by some economic "experts" that redistribution of land would lead to a fall in production of food in the country. This is not a correct view of the problem. In fact, in China and Japan the average size of land holdings is only about 2 acres and yet their yield per acre is three times as much as that of India. Experiments all over the world have amply demonstrated the truth of the contention that with an increase in the size of the farm and with the introduction of mechanical devices, productivity per labourer increases; productivity per acre does not necessarily increase. As a matter of fact, in thickly populated countries like India, small-scale and intensive farming is the only correct solution of our economic problems. It is, of course, necessary that the small farmers should be provided with the requisite facilities of good seed, manures, irrigation and cooperative marketing. Mechanisation in Indian agriculture should be undertaken with great care and discrimination. Excessive use of tractors and other machines would be both uneconomic and inhuman in a country like ours where the basic national problem is that of providing gainful employment to the millions of our people.

One of the arguments against quick land reforms is that simultaneous legislation for limiting incomes in the urban sector should also be undertaken. Ceilings on land holdings should be followed by the fixation of ceilings on city incomes as well. We fully appreciate this view. It is quite evident that an economic revolution cannot be confined to land alone; it must touch all sectors of our national economy. The existing gulf between the rich and the poor must be bridged or filled up. We have abolished feudalism in land; we must now proceed to abolish feudalism in industry. We regard the system of Managing Agents in India as a relic of feudalism. So far as we know, the system of Managing Agency in this shape and form does not exist in any other civilised and industrialised country in the world. It was a creation of alien rulers in this land. It must, therefore, be radically transformed without further loss of time. The existing Indian Companies Law should be amended by the Government of India in such a way that the intermediaries between the shareholders and the Directors of industry should disappear. In fact, we should go a step further and gradually make the workers themselves the owners of industry. This far-reaching reform in our industrial

organisation is absolutely essential for achieving a real economic revolution in India. It must be fully realised by all of us that our democracy cannot succeed as a political ideal unless it is achieved as an economic ideal. Political freedom without social and economic freedom would remain a vacant dream. Land is a gift of Nature; it can neither be increased nor decreased by man. Its redistribution on a more equitable basis is, therefore, of paramount importance and land reforms should naturally receive the highest priority. But such land legislation must be quickly followed by industrial reforms which would set into motion the process of economic equality and social justice in the urban areas.

*May 1, 1954.*

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## EMPLOYMENT, MORE EMPLOYMENT!

It is but proper that the problem of employment is now being given the foremost place in all our schemes of national planning. It is one of the main directive principles of our Constitution that "the citizens have the right to an adequate means of livelihood." It is, therefore, a constitutional obligation on the part of the Government to provide gainful employment to every able-bodied citizen of India. We are glad to notice that the Government of India and the Planning Commission have recognised the urgency of the problem and have placed before the public certain schemes for finding more avenues of employment in the country. Instead of always talking of Unemployment in negative terms, we prefer to discuss various points relating to the positive aspect of providing more employment to the wholly unemployed or partially employed people of India. We also deprecate the tendency on behalf of certain political parties in the country to exploit even a common problem of this nature for political or party purposes. The programme to observe the Independence Anniversary as "Anti-Unemployment Day" was, to say the least, unbecoming of any political party. Although we ourselves have been critical of the achievements of the Government and desire that the pace of progress in the economic sphere should be quickened a great deal, we are convinced that it is unpatriotic to under-rate our successes and observe the Anniversary of our Freedom as a Black Day. Our achievements in various fields of national progress compare favourably with those of any country in the world. But we do not desire to rest on our oars; the Congress and the Governments are fully alive to the economic problems and are determined to do their best to solve them to the best of their ability.

The Planning Commission have circulated to the State Governments an Eleven-Point Programme for combating Unemployment in the country. This programme includes the provision of adequate assistance to the establishment of small industries and businesses, the training of technical personnel, development of road transport, slum clearance schemes and the construction of houses for the low-income groups in urban areas, and the setting up of work and training camps for re-orienting the outlook of the educated classes. This programme is meant to be a short-

term measure and should, therefore, be judged as such. It can provide certain "first-aid" steps to save the unemployment situation from worsening further. In order to plan for full employment as a long-term measure, the Government will have to think of certain radical changes in its educational, industrial and commercial policies. Merely trimming the leaves and pruning the branches will not serve as a lasting remedy to the deep-seated malady of an under-developed country like India. We will have to adopt and execute a bold policy of industrial decentralisation throughout the countryside in order to absorb the idle labour power in the rural as well as urban areas. We are not against large-scale industries as such; our basic or key enterprises will have to be on a big scale. But the consumer goods industries like textiles, oil-extraction, paper-making, flour-grinding, rice-husking, gur-making etc., will have to be organised on a small-scale or cottage basis so that every citizen of the country may be able to find fruitful avenues of productive work and employment. All further expansion of large-scale consumer goods industries, therefore, must stop; processes of excessive mechanization or rationalisation should also be rigidly controlled by the State in order to save the people from being thrown out of employment still further. The Government must also demarcate categories of commodities to be produced by the large-scale, small-scale and cottage industries respectively. In these days of national planning it would be shortsighted and even suicidal to allow the large-scale and small-scale enterprises to enter into unfair competition with each other for the survival of the fittest. This old doctrine of *laissez faire* is now dead as dodo and the Government of India must provide the fullest scope for the speedy development of small business and industry in India with courage and conviction. To try to solve the problem of fuller employment by expanding big business is like ploughing the sands. At present all the large-scale establishments in the country employ only about 3 million people with a total investment of approximately 1200 crores of rupees. Where is the money for further investment in the large-scale sector in order to absorb a substantial portion of surplus labour in India? And even if we are able to find the money, where are the markets to sell these mill-made goods? Conquering markets in foreign countries through Imperialist methods is out of the question, and purchasing power within the country could be increased only by organising fuller employment for millions of people through decentralised industrialisation. The Government has, of course, accepted this policy in the Five-Year Plan. But we are not yet in a position



to say that there are any visible signs of the implementation of this policy.

The Commercial policy of Imports and Exports also needs further examination from the standpoint of providing fuller employment to the masses through the development of new industries in India. It is not an inspiring sight to see most of the New Delhi shops full of foreign articles at a time when we are seriously planning to build up the economic structure of our country by undertaking ambitious schemes of industrialisation. It is true that the people should imbibe the spirit of Swadeshi and patronise home-made goods. It is also true that Indian manufacturers should take special care to improve the quality of their products and should not try to misuse the spirit of Swadeshi among the poor consumers. It is, however, equally necessary that the Government of India should once again scrutinise the long list of articles which are still allowed to be imported from foreign lands. It is argued that a few consumer goods are allowed to be imported so that the quality of goods may not go down. It is an argument which fails to carry conviction. If the Indian producers are given a wider scope of selling their goods, more manufacturers will enter into production in accordance with the well-known economic laws and mutual competition would tend to push up the quality of products. We see absolutely no reason why consumer goods like second-hand clothes, bottled and canned fruits and vegetables, crockery, biscuits, cakes and confectionery, artificial silk fabrics, handloom and book-binding, cloth, hosiery and toilet goods etc. are still being imported by us. We have also allowed a number of foreign firms to run consumer goods industries within the country with the result that our own industries with wholly Indian capital have suffered a serious set-back. In this connection, the Government should review the working of foreign-owned units in the manufacture of soaps, chocolates, fountain-pen inks, tooth-brushes and pastes, cold drinks like Coca-cola etc. The Stores Purchase Policy of the Union and State Governments also requires radical changes with a view to patronising Indian-made and specially cottage-made products even though they may be costlier in the beginning.

Above all, our educational policy must undergo far-reaching changes. We welcome the scheme of the Ministry of Education to open a large number of one-teacher schools in the rural areas to absorb thousands of the educated unemployed young men in India. But is this enough? What about the ever-growing number of

matriculates and graduates that still continue to be manufactured every year by the existing type of schools and colleges? The number of passes in the Matriculation, Intermediate, B.A. and B.Sc. examinations during 1949-50 was 2,78,400. In 1951-52, the figure had swollen to 3,74,900. In Uttar Pradesh alone, the number of students taking the Matriculation and Intermediate Examinations was 1,50,000 in 1952; in 1953 it had increased to 2,59,000. What is the Ministry of Education doing to stop this rising flood of educated boys and girls in our country? The present type of schools and colleges imparting the so-called liberal education have had their day; they must now cease to be. It is almost a crime against society to permit their expansion further. Our new educational institutions should be in the nature of Occupational Institutes or Polytechnics which prepare our boys and girls for specific vocations in life. There should be the closest coordination and integration between our educational and industrial programmes. The Government or the Planning Commission must indicate from time to time the types of courses for which there is likely to be a growing demand for the fulfilment of the Five-Year Plan. Admissions to various technical courses will then be adjusted and regulated accordingly by the educational institutions and the guardians. Although education is a State subject under the present Constitution, the Ministry of Education can do a lot to revolutionise the existing system of education which is wholly unsuited to the vital needs of the nation. It is, of course, risky to try to move too fast, but the risk in not moving fast enough is also a potential danger to the new type of democracy in this ancient land of ours.

Gandhiji had told us that to a poor and hungry man God could appear only in the form of bread or a bowl of rice. To millions of our unemployed countrymen, the National Plan can have some meaning only if it gives them work and bread. Instead of asking for "Light, more Light", they want us to provide them with Employment, more Employment.

*September 1, 1953.*

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## ECONOMICS OF FLOOD CONTROL

This year, millions of people have been severely affected by unprecedented floods in Uttar Pradesh, Bihar, West Bengal and Assam. It is estimated that about 20 million people including those of East Bengal are in the grip of one of the worst floods of the century which have swamped a one thousand-mile long belt in the fertile Ganga-Brahmaputra valley. In Bihar alone 80 lakhs of people have suffered heavily and it is estimated that there has been a total loss of about Rs. 50 crores. Fortunately, the loss of human lives has been comparatively small, although the loss of cattle wealth would run into thousands. The rush of the flood was so sudden and powerful that even some elephants were washed down the Himalayas into North Bihar. There has been severe damage to the standing crops of paddy and maize. The agriculturists tried to obtain rice seedlings from distant places for re-plantation. But a second rise in the rivers has washed away these re-plantations and the plight of the people is, indeed, too deep for tears.

I had the opportunity of visiting the flood-affected regions of North Bihar recently. Instead of flying in the air, I tried to visit a number of marooned villages in the interior walking on foot in mud and travelling on boat, motor-trolley and trains. It must be said to the credit of the Bihar Government that they had undertaken comprehensive relief measures expeditiously and efficiently. Foodgrains had been rushed to all the villages and medical units were working with a sense of urgency to prevent the outbreak of epidemics. Official help in the form of loans as well as gratuitous relief was being rendered systematically by the State Government. The Union Minister for Irrigation and Power also visited the flood affected regions in Bihar, Bengal and Assam along with a number of engineers and other technical experts. But the extent of damage and human suffering is so vast that merely official help will not be adequate. Considerable non-official assistance should, therefore, be organised speedily and effectively. Besides foodgrains, the people in these areas urgently require clothing. There were thousands of women who found it difficult even to hide their shame. Millions of children ran about almost completely naked because their parents had lost all their belongings in the recent floods. The means of communications have become very difficult because of the breaches in roads and railway lines.

Despite all these calamities, I was surprised to find that the morale of the people was high and their spirit unbroken. Thousands of people who met me at the railway stations and in the inundated villages agreed that the Government was trying to do all that was humanly possible within their limited financial resources. But they did not like to live on charities, gratuitous relief and loans. They desired that the Government should undertake immediate measures for controlling the floods on a permanent basis. The people also suggested that they should be given some work in the form of small and cottage industries for eking out their livelihood. For example, Khadi manufacture, soap and basket making, fisheries, wood work and leather work could be organised on a co-operative basis for affording employment to millions of people who are without any work. They also suggested that the Government should prepare schemes for building earth embankments on both sides of Kosi, Kamala, Buri, Gandak and Baghmāu rivers for controlling annual floods. The people assured me that they would be gladly willing to render voluntary manual labour in order to complete these projects at an early date. They are not so much interested in knowing about long-term schemes which will be completed in five or seven years. They, naturally, are anxious to know as to how much work will be completed before the beginning of the next monsoon in order to reduce the area of devastation by floods to the minimum. It was also pointed out that in those areas where it may not be possible to control the floods in the near future, the State may spread a net-work of tube-wells in order to enable the people to raise early maize crops before the outbreak of the annual monsoon, so that even in the case of floods it may be possible to harvest the crops in time.

Recently, the Ministry of Irrigation and Power deputed a few eminent Indian Engineers to visit the River Valley Projects in China with a view to study the various flood-control measures on the Yellow, the Huai, the Yangtze and other rivers. In the course of their preliminary report, the Engineers pointed out that the work of flood control in China mainly consists in strengthening of old dykes built centuries ago on both banks of the rivers and constructing new ones wherever necessary. Previously, the dykes were constructed by local land owners in scattered areas. The present unified planning of the Government has resulted in an efficient system of dyke protection to the lands. The Engineers have also pointed out that "the speed with which the works have been completed in China is unique." One of the most important and largest irrigation canals

constructed in China, the entire lengths of which is 100 miles involving 247 crore cft. of earth-work was completed in the course of 80 days. "There was no machinery and the entire earth-work including excavation, transport and tamping was done by human labour. The finished work is neat and the canal is functioning efficiently." The Indian Engineers further remark that "such speed of construction of earth-work on canals has not been achieved in India or anywhere else in the world even with the help of heavy earth-work equipment." The report of the Engineers further points out that the Chinese Government have been able to mobilise millions of people and imbue them with enthusiasm.

It is always good to learn from the experience of other countries, specially our neighbour countries like China. But we are rather surprised to find that the eminent Indian Engineers could understand the value of harnessing manual labour for undertaking various river-valley projects only after their visit to China. Even in North Bihar, I found that the people with the help of the Government had constructed about 100-mile long embankments on the Gandak river hundred years ago. These embankments, which were completed mostly by human labour, have stood in good stead all these years, so much so that even this year the river Gandak has not done any damage to the adjoining areas. We pointed out some months ago that the use of cement-concrete in the construction of river-valley projects in India was indiscriminate and that more attention should be paid to the utilisation of human labour for providing employment to millions of our people. We do not know whether this point has been considered seriously by our engineers even now. In their anxiety to complete the Projects quickly and to appear very modern, they have imported heavy machinery from foreign countries unnecessarily. When the people of China can complete their big projects with manual labour in record time, why can we not do the same in our country? My visit to the flood-affected areas in Bihar has convinced me that the Indian people are second to none in their patriotism, perseverance, hard work and enthusiasm. The only problem is to organise them properly in accordance with systematic plans and technical advice. It is the duty of the Indian Engineers, therefore, to prepare such schemes without further loss of time and call upon the people to execute them with a sense of urgency.

I have no doubt in my mind that our people will never fail us. It is absolutely essential that as soon as the flood

waters recede, the Government should be ready with their plans of constructing embankments on both sides of the rivers. Too much time should not be lost in preliminary discussions and preparations of plans. All this work must be taken up in a "Do or Die" spirit. We have to wage war against flood, famine and colossal human misery. I do hope that the Government and the Engineers would give the highest priority to flood control measures and regard this work as almost a war effort.

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*September 1, 1954.*

## CHINA AND INDIA: A COMPARISON

Everybody talks of China these days. There is no harm in talking about a neighbouring and friendly country which is bound to India by cultural ties through the ages. But it is certainly wrong to under-rate our own achievements and lull ourselves into the delusion that China has found a panacea for all the ills from which India suffers. We have full admiration for what China has been able to achieve during the last three years in various phases of national life. She has been able to fight successfully the twelve-year old inflation; nation-wide agrarian reforms have liberated the peasants from feudal tyranny; vast river projects have been instituted to change the face of nature and supply power and irrigation; new factories have been built and new mines opened. The new Chinese Government has also succeeded considerably in checking corruption and inefficiency in administration and in increasing agricultural and industrial production to an appreciable degree. But we cannot afford to forget that China has adopted the path of dictatorship and totalitarianism. Chairman Mao Tse-tung has coined a new term for such a political organisation and calls it the "People's democratic dictatorship." It is, however, quite clear that this new administrative pattern will be almost the same as the well-known "dictatorship of the proletariat" which, while solving certain problems, has given rise to a host of other problems through the regimentation of mind, men and machines. While India won her political freedom against an alien rule through peaceful and non-violent methods and established a broad-based democratic State, China suffered a prolonged agony of Civil War and founded a 'one-party' dictatorship through blood and violence.

It is true that India's Independence was less spectacular; it was a smooth and peaceful transfer of political power with hardly any changes in the administrative machinery. We were surely spared from a number of hardships and agonies which come in the wake of a violent revolution. But India had also to inherit many ills and shortcomings of the British administrative set-up which still continue to be a source of hindrance in our path of quick progress. Nevertheless, it will be improper to undervalue our own achievements during the last six years of freedom. India had to face the stupendous task of rehabilitating about 75 lakhs of people uprooted from

Pakistan. Thanks to our able leadership and administrative planning, our country has been able to solve the problem of displaced persons better than many other nations of the world. We have so far spent about 180 crores of rupees on relief and rehabilitation; about 2,00,000 refugees have been placed in jobs through the Employment Exchanges; over 80,000 have been absorbed in the Union and State Government offices. The Government has succeeded in settling about 16 lakh and 25 thousand people on land in different parts of the country. Provision has been made for about 25 lakh displaced persons in evacuee houses or new tenements and there is a proposal to construct 30,000 new tenements during the current financial year. Besides solving the onerous and arduous task of rehabilitation, the Government of India integrated 600 and odd feudal States into the Union within a few months after Independence. Thanks to the wisdom and foresight of the late Sardar Patel, this process of consolidation without a fireshot was unprecedented in the history of the world. India was also able to frame and inaugurate a new Constitution within two and a half years of political freedom. This Constitution, based on democracy and adult franchise, is, surely, one of the best among the constitutions of the world. Within two years of the framing of the Constitution, the Government of India could prepare the electoral rolls of about 18 crore adult voters in the country and successfully hold the General Elections on an unprecedented scale in the annals of public administration. During the last six years, India has enjoyed political stability and civic peace which are rare commodities in Asia and even other parts of the globe. Besides political freedom, India has also prepared and launched her First Five-Year Plan for the attainment of social and economic freedom. Although our Plan is not very ambitious, it is the first Plan of its kind under a democratic set-up and occupies a unique place in the history of economic planning in the West as well as in the East. Community Projects covering about 50,000 villages in the country have already been started and the National Extension Service is expected to serve all the 5½ lakh villages within a period of 7 or 8 years. About 800 crores of rupees are being spent on giant multi-purpose River Valley Projects which will irrigate about 17 million acres and generate 1.5 million K.W. of electric power. A chain of National Laboratories has been set up in India for conducting Research in different fields of modern science. Besides the expansion of industries in the private sector, the Government has been able to start key industries like the Sindri Fertiliser Factory, the Chittaranjan Locomotive Works, Indian Telephone Factory, the Hindustan Shipyard,



the Hindustan Aircraft Ltd., the Machine Tool Factory, the National Instruments Factory and the Oil Refineries. A Scheme for the erection of a 100-crore Iron and Steel Plant has also been finalised recently. Far-reaching land reforms, abolishing Zamindari and other feudal rights, have been enacted in almost all the States in India. More radical measures in the form of the fixation of ceilings on land holdings are being adopted by different State Governments. Acharya Vinoba Bhave's Bhoodan movement has shown a novel way of solving the problem of land redistribution through peaceful and non-violent means. The collection of about 21 lakh acres of land so far through voluntary donations is unique in the annals of human relationships in the world. All these are remarkable achievements of Free India for which we should all be legitimately proud. There is, however, no cause for complacency; we must not rest on our laurels and try to subsist on the past achievements. We should constantly review our faults and shortcomings and quicken the pace of progress in the social and economic spheres.

We should look at China in a spirit of healthy emulation. We should admire her achievements but should not be blind to the other side of the picture. We hear very much about the land reforms in China. But do we know that there is still the system of individual proprietorship in land and that the new Chinese Government has not yet taken away land owned by "rich peasants" and cultivated by themselves or by "hired labour"? Portions of land rented out by rich peasants have also remained untouched. The Agrarian Reform Law provides that "land and other properties of the middle peasants (including well-to-do middle peasants) shall be protected from infringement." In certain respects, therefore, the land reforms in China are even less revolutionary than those of India. In the industrial sphere, China is still following the system of "mixed economy" in which there is great scope for private enterprises; in fact about 80% of the trade capital in China consists of "private capital enterprise." These capitalists in China are, of course, called by a high-sounding name "national bourgeoisie". As Dr. Gyan Chand recently observed, private enterprise in China was "not merely tolerated, but was assigned an integral part in national development projects." Even enthusiastic Communist workers do not hope that China will be in a position to achieve full Socialism in less than twenty years. A study of labour laws and regulations in China will indicate that they are not very much more progressive than those in India. So far as Law reforms are concerned, China has scrapped the old legal system and

has evolved a new type of People's Courts in which there is not much room for professional lawyers. It cannot, however, be claimed that the Chinese Courts follow any codified laws yet; the personal factor counts for much in the administration of Justice. The Government of India has now announced the introduction of a legislation incorporating far-reaching Law reforms in the country. China and India can both learn from each other in this sphere. The Chinese Schools, Colleges and Universities have, undoubtedly, changed a great deal. But well-known Indian educationists like Dr. Amarnath Jha and Prof. Mujeeb have not been impressed by the new educational and cultural standards. The Chinese Universities have huge libraries but teach hardly anything except the writings of Lenin, Marx and Mao. There is not much "academic freedom" in these educational institutions; indoctrination and "brain-washing" of the young boys and girls is not very conducive to the growth of balanced and broad-based thinking. The freedom of Press and expression, whatever may be said to the contrary, is also considerably curtailed. There is, perhaps, some freedom of self-criticism within the Party; but there is not much scope for the freedom of expression in general. Tall claims are made for a great increase of production in the agricultural and industrial sectors. We are told that the production has "doubled" or "trebled". But there are no reliable and scientific statistics yet to indicate the exact position. It is surprising to know that China is now preparing for its First Census on a nation-wide scale. The Communist countries have developed a special technique of world-wide publicity through which only the bright side of the picture is made known to the public. We must admit that India has yet to learn the art and science of proper publicity. We should not, of course, indulge in one-sided propaganda; but our achievements should be properly presented to the people to arouse their enthusiasm and to clear certain misconceptions. In India we are averse to the importing of foreign experts. But do we know that, according to figures given by Karanjia himself, there are 60,000 Russian experts in China at present? India has been able to evolve a positive policy of neutrality in international affairs. But has China been able to develop her own personality apart from that of the U.S.S.R.

Let us, therefore, not lose our sense of proportion. China has, undoubtedly, been able to achieve much during the last three years. India also has many creditable achievements to her credit. In both countries, there is still much that remains to be done. We should, therefore,

approach the task of improving the social and economic conditions of the masses in a spirit of humility and service. It is no use extolling one country to the skies at the cost of the other. China has chosen the path of totalitarianism although it may be pleasantly termed as the "dictatorship of the masses." India is wedded to the method of democracy and peaceful revolution for the attainment of social and economic ends. It is wrong to think that the totalitarian method is always fast and that the democratic way is necessarily slow. Given the will and clarity of vision, democracy can be as fast, if not faster, as dictatorship. Democratic functioning of a State is also more sure, steady and lasting. We should, therefore, try to learn the good points of China as also those of other countries of the world. But we should always bear in mind that each country has to pursue her path of salvation according to her own genius and culture and traditions. It is good to be critical of our own achievements. But to decry our own work and unduly praise the work of another country will be, to say the least, unpatriotic. We earnestly believe that India is a land of destiny and has a definite message to give to the world. That message is the message of Gandhi, Nehru and Vinoba. It is our sacred duty to keep this message always in our thoughts and to try our utmost to implement that message with humility, faith and determination.

*September 15, 1953.*

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## TOWARDS A NEW TAXATION POLICY

After the attainment of political freedom in India, the process of Independence can be regarded as complete only if we are able to achieve economic freedom for the common man. According to the Directive Principles of State Policy, as laid down in the Indian Constitution, it is the duty of the Government to secure "an adequate means of livelihood" to all citizens and to see to it that "the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment." The State is supposed to "make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want." The Constitution also enjoins the State "to secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities" and, in particular, to "endeavour "to promote cottage industries on an individual or cooperative basis in rural areas." It is obvious that these objectives can be attained by the reorientation of our existing economic system on a planned basis. The First Five-Year Plan is essentially based on the Directive Principles of the Constitution and recommends that the aim of planning ought to be "the reduction of economic inequalities" through a rational and equitable system of taxation.

Economic planning can be based either on totalitarian methods involving "a violent overturning of society" or on peaceful and democratic methods resulting in the goodwill and cooperation of all sections of society. India has wilfully chosen the democratic method as a better way of achieving the cherished goal of a Welfare State. It is wrong to think that the democratic process is necessarily a slower process as compared to the authoritarian method. We have decided to follow the pattern of a middle economy—I do not like the word "mixed economy"—which avoids the two extremes of Capitalism and Communism. This is also the kind of an economic order that the Father of the Nation visualised for Free India. In order to bring about a new socio-economic order of this type it is absolutely essential to undertake suitable legislation for

speeding up far-reaching reforms relating to land, agriculture, industry, administration and public finance. The importance of the work entrusted to the Taxation Enquiry Commission, therefore, cannot be over-estimated. Public finance in the modern world is a very valuable medium of economic planning and must be utilised as such with a sense of urgency.

It is not correct to say that the burden of taxation in India is already very heavy and that there is not much scope for further taxation. The proportion of taxation to National Income in India is only about 7 per cent as compared with 21 per cent in Ceylon, 16 per cent in Egypt, 26 per cent in U.S.A., and 41 per cent in the United Kingdom. It is also interesting to know that whereas only 6.24 per cent of the population pay income-tax in India, the relevant percentage is as much as 44 per cent in the United Kingdom, 37 per cent in the U.S.A., 34 per cent in Australia, and 20 per cent in Canada. There is, undoubtedly, enough scope for taxation in our country, specially in view of the numerous development plans which would, in turn, raise the taxable capacity of the people. As the late R. C. Dutt wrote in his "Economic History of India," taxation raised by a Government "is like the moisture of the earth sucked up by the Sun to be returned to the earth as fertilising rain." In fact, everything depends on the purposes for which increased taxation is spent. If the masses of India are convinced that additional taxes raised from them are going to be spent by the Government for their benefit as also for the welfare of the succeeding generations, they will not grudge the imposition of more taxes. But it is necessary that, besides the benefit principle, the principle of ability to pay is also constantly kept in mind. In an under-developed country like India, both direct and indirect taxes will have to raise the necessary revenues from all sections of the population. The poor, the middle and the upper classes will be required to share the burden in proportion to their capacity.

There is, at present, a gaping gulf between the 'haves' and the 'have-nots'; this gulf must be filled up quickly and systematically through a more rational and just system of taxation in the country. The poor will gladly bear the additional burden of taxation only if they honestly feel that the State is out to establish greater economic equalities by levelling down the rich. In the existing social and economic order, it must be admitted that even after the advent of political freedom there has been no reduction in the glaring inequalities in society. How can the poor

masses be expected, therefore, to feel a glow of real freedom? And unless they experience this "glow", it is futile to expect from them their willing cooperation in the great and onerous task of building up a new and prosperous India. I suggest that the aim of our economic policy ought to be to secure a minimum monthly income of Rs. 100 to an average family and to try to impose a ceiling on higher incomes at 20 times the minimum, i.e. Rs. 2,000 per month. It should also be borne in mind that the ratio of 1 : 20 may be brought down to 1 : 10 within a reasonable period of time.

Let me now make a few concrete proposals for achieving the objectives mentioned above :

1. The rich people should be made to realise that if democracy has to succeed in India, they must willingly and gracefully agree to part with their wealth through additional taxation for the welfare of the masses. It is true that there are only 1,286 persons in this country whose income is above Rs. 1,50,000 a year. But it is also true that there is an amount of Rs. 20 crores which escapes the net of tax-gatherers every year. Both the rich sections of society as well as the Government must try their best to make available this substantial amount to the public exchequer every year. Evasion of taxes should be regarded as a great national sin almost bordering on treason and, if necessary, should be punished as such.

2. Rates of income-tax and super-tax should be made steeper after the annual income of Rs. 50,000. There should also be different rates for earned and unearned incomes. A system of allowances based on the size of the family may be introduced in India, more or less on the U.K. model. It is not correct to think that such allowances will encourage larger families in the already over-populated country.

3. The Estate Duty rates are quite low, to begin with. They should be increased upto 75 per cent on estates above one crore. There should, however, be no undue harassment and greater facilities may be provided to the assesseees to deposit estate duties in advance during their life time. Proceeds of Estate Duty should be ear-marked for the development of rural areas.

4. Higher rates of Sales tax should be imposed on luxury goods and the products of cottage and village industries should be fully exempted from such tax.

Government of India should try to bring about uniformity in Sales tax in different States as early as possible. Problems relating to inter-State trade must also be resolved without any further delay. Single-point Sales Tax should be preferred to multi-point tax. Disposal of cases should be quick and all unjustified harassment should be avoided. Rules of procedure should be rendered as simple as possible.

5. The existing system of land revenue should be replaced by a system of agricultural income-tax. All land holdings yielding annual incomes below a minimum should be completely exempted from tax or revenue and higher agricultural incomes should be taxed at steep rates. Such a system will promote quicker redistribution of land on a more equitable basis.

6. Feudalism in land has been, more or less, abolished in India. It is now high time that feudalism in industry is also abolished. The system of Managing Agents is a relic of feudalism and must be radically overhauled. The Companies Amendment Bill introduced in the Parliament does not go far enough; it should be followed by a more comprehensive legislative measure as early as possible. In the meantime, there should be imposed a ceiling on dividends at the rate of 6 per cent and on the remuneration granted to Managing Agents at the rate of  $7\frac{1}{2}$  per cent of net profits.

7. In order to check tax evasion and exercise a more effective control on private companies, the Government should develop a system of audit of such companies through State Auditors and Chartered Accountants. The existing system of private audit leads to manipulation of accounts for dodging the tax-gatherer.

8. In our country there are huge amounts lying idle in demand deposits. A tax on idle resources would increase the velocity of circulation and promote greater employment opportunities, either through forced spending or through forced investment.

9. The ultimate aim of economic policy should be to nationalise the key or mother industries and to decentralise the consumer goods industries. This objective could be gradually realised by imposing a cess on mill-made consumer goods like cloth, oil, sugar, leather, paper and match, and subsidizing the corresponding cottage and village industries. The Government have already accepted

this principle by levying a cess on mill cloth for developing handloom and Khadi. The same principle should be extended to other consumer goods industries also.

10. In order to promote voluntary abdication of wealth by the rich in the form of charitable trusts and endowments, the limit of donations to charitable institutions for specified purposes may be raised from 5 per cent to 10 per cent for purposes of exemption from income-tax. The list of specified purposes, should, of course, include only those items which form an integral part of the National Development Plan.

11. Admirable response of the people to the scheme of Local Works in the Five-Year Plan clearly reveals that the principle of direct and visible benefit must be always borne in mind in drawing up a system of taxation. In place of direct or indirect taxes on the people for financing the National Plan in general, it will be much better to invite the willing cooperation of the general public in the form of donations in cash, kind or voluntary physical labour for the execution of local projects which directly satisfy the felt needs of the people in different areas. Provisions should be made for earmarking funds for specific projects or purposes in purchasing National Savings Certificates, Treasury Savings Deposit Certificates and the National Plan Loan Bonds.

12. With a view to mopping up idle money resources in the country, special schemes should be prepared for extending banking and insurance facilities to the rural areas. Commercial banks may be encouraged to open their branches in the villages by permitting lower grades of pay for employees working in the rural areas. The Postal Insurance Scheme, which is at present confined to Government servants, may be extended to the public in general.

13. In order to earn larger Customs revenues as well as to protect indigenous small-scale and cottage industries, higher import duties should be levied on luxury goods like cosmetics, perfumes, canned fruits, crockery, biscuits and confectionery, wines and liquors, motor cars, cigarettes, textile fabrics, cutlery, etc. Imports of luxuries on a large scale have deadened the spirit of Swadeshi among the people and it is, surely, very desirable to revive it for quickening the pace of industrial progress in India.

14. So far, there has been a flow of tax revenues from the villages to the cities. The process must now be



reversed. To begin with, 50 per cent of the direct taxes raised from a particular area should be retained in the same region for purposes of local development projects. Further, higher irrigation rates or betterment levies should be imposed only on those regions which have directly benefited as a result of better irrigational facilities. In short, the benefits of additional taxation should be clearly visible to the people.

15. No further flow of foreign capital for investment in consumer goods industries should be allowed by the Government. In order to divert the existing foreign capital into producer goods industries, higher rates of excise and sales tax may be charged on the consumer goods of foreign concerns masquerading as (India) Ltd.

16. The system of local taxation should be rendered more scientific and systematic. In order to assist the local bodies in assessing the taxes more accurately, the State Governments should maintain separate valuation staff and the cost of these special services should be borne partly by the State Government and partly by the local bodies. Special attention should be paid to unearned incomes accruing from land as a result of various development schemes. In order to curb the tendency of building palatial houses for displaying one's wealth, House taxes should be levied at higher rates by Municipalities and Corporations.

17. Excess Profits Tax which had become a normal feature of taxation during the War, may be re-introduced in the country with necessary adjustments in order to mop up special profits in certain industries. There should be heavy tax on speculative trading also.

18. The people who are taxed by the State have a right to feel confident that the money raised from them is being rightly and frugally spent by the Government for their welfare. The need for economy and efficiency in administration is, therefore, of paramount importance. There should be voluntary or compulsory reduction in higher salary grades and corruption in services must be rooted out effectively. People under a democracy can tolerate many handicaps and difficulties. But they cannot and should not tolerate inefficiency and dishonesty in their administrative machinery.

19. About half of our annual revenues are today spent on the Defence Services. It may not be possible to reduce this expenditure to any appreciable extent in the near

future. But serious attempts should be made to use our defence forces progressively for productive and developmental purposes within the framework of our National Plan. This scheme will be helpful in lessening the need for higher taxation in the country. The Armed forces could be utilised in times of peace for constructing village roads, bridges, schools, hospitals, checking soil erosion, afforestation, shooting of wild animals that destroy agricultural crops, etc.

20. Non-tax sources of revenue could also be tapped by the State by nationalising basic industries, establishing State public utility services and introducing state trading in certain directions, specially in the sphere of foreign trade. To begin with, only a few commodities should be chosen for State trading in order to gain the requisite experience.

21. Above all, the State should try to create an atmosphere of austerity and hard work by setting an example from the top. The people cannot be expected to tighten their belts unless the high State dignitaries and officials begin by tightening their own. The vulgar display of riches in big cities in the form of Receptions, Dinners, Cocktail parties must cease. Prohibition of intoxicating drinks should be strictly enforced as an integral part of our national programme. The excise revenue that we will lose through Prohibition will be amply compensated by the additional money that will be available with the people for investment in productive channels.

*May 15, 1954.*

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## ECONOMICS OF 'BHOOMIDAN YAGNA'

The Constitution of India lays down as one of the "directive principles of State policy" that steps should be taken to "make effective provision for securing the right to work" and to "secure by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life." According to the latest Census figures of 1951, the population of our country is now 356.8 millions out of which about 44.8 million are "cultivating labourers" without owning any land, and 5.3 million are "Non-cultivating owners of land" and "agricultural rent-receivers". The total land in India available for cultivation, including current fallows and cultivable waste, is approximately 300 million acres. As is well known to all of us, the average size of holdings in India as compared with many other countries of the world is very small. The average size in U.P. is 6 acres, in Madras 4.5 acres, in Bengal 4.4 acres, in Punjab 10 acres, in Bihar and Orissa 4.5 acres and in Madhya Pradesh 8.5 acres. Exact figures for the number of holdings above a ceiling of, say, 25 acres are not available for all the States. There is, however, sufficient material to indicate that there is substantial area of land in the country which is above holdings of 25 acres. This land could be utilised for redistribution among the landless labourers in order to solve the problem of unemployment and satisfy the innate hunger for land among the rural population. This, then, is the first basic premise of the Bhoomidan Yagna movement launched by Acharya Vinoba Bhave. Land hunger is a legitimate and healthy desire of human beings especially in the countryside; like air and water, they have every right to possess land as well from bountiful Nature.

Nobody has, therefore, any right to own land more than what he and his family can cultivate for the production of food articles. In fulfilment of this moral principle as well as its obligation under the "directives" of the Constitution, the State should try to redistribute land to the cultivating labourers on the widest possible scale as speedily as feasible. The economic holding in India may range from 5 to 10 acres of average quality. A ceiling of 25 acres of land will, therefore, be a reasonable proposition.

How is this land to be redistributed? In the Com-

munist countries, landlords have been expropriated without compensation. Under the Fundamental Rights of the Indian Constitution, however, it is obligatory for the State to pay compensation for acquiring land. No rate of compensation has been laid down in the Constitution. But it is quite evident that even a low rate would run into crores of rupees which a poor country like ours can ill afford to pay. What then is the remedy? Vinoba is trying his best to meet the challenge of Communism by demonstrating to the world that, through non-violence and persuasion, the landlords can be urged to give away their surplus lands to the landless people without any compensation. He has already collected about 3.5 lacs of acres so far through his "Bhoomidan Yagna" movement. As Robert Trumbull wrote in the New York Times Magazine, Acharya Vinoba "walks from village to village preaching that those who have much should give to those who have nothing." Vinoba's novel method has attracted and inspired millions of people, both rich and poor, and he is known as "The God who gives away land." It is true that Acharya Vinoba is not expected to solve the whole problem of land re-distribution in the country single-handed. But his "Bhoomidan" movement is surely paving the way for a speedy and satisfactory land reform to be followed by Government legislation in due course. Vinoba's land movement is, indeed, the only effective counterblast to the Communist activities in India.

Some doubts have been raised regarding the policy of redistribution of land followed by Acharya Vinoba Bhave. The Planning Commission in their Draft Outline of the Five-Year Plan have suggested that unit of land cultivation should be the whole area of a village on a co-operative basis. They have also advocated the establishment of "registered farms" on a fairly large-scale and mechanised basis. Acharya Vinoba, on the other hand, strongly feels that, to begin with, land should be distributed to the landless labourers in small plots of about five to ten acres in accordance with the quality of land and facilities of irrigation.

Instead of trying to pool the land, attempts should be made to introduce co-operative endeavour in the main agricultural operations like ploughing, weeding, harvesting. Co-operative Societies may also be formed for marketing, purchase of seeds, machinery and manures, etc. In other words, we may encourage "Co-operative Better Farming" rather than "Co-operative Joint Farming." Apart from satisfying the land hunger of a large number of people, small-scale farming would also be more productive through efficient

and intensive cultivation on a family basis. It is wrong to think that large-scale farming is more economic and efficient than small-scale family agriculture. This view is not a sentimental or mediaeval conception; it is based on hard facts of human nature and psychology. It is supported by a large number of economic thinkers and is based on practical experience.

"One of the immediate needs of the country," observes Prof. C. N. Vakil in his *Planning for a Shortage Economy*, "is to hasten the pace of land redistribution. Whatever be the merits of large-scale ownership of wealth in a non-agricultural form of activity, so long as agriculture continues to be a way of life, rural opinion which is more and more becoming conscious of the reforms introduced in other countries . . . will never tolerate any piece of land reform which does not think in terms of redistribution of land and the splitting up of large-sized holdings."

Sir Malcolm Darling in a recent article in the *Manchester Guardian* on Co-operative Farming in Yugoslavia observes that "The experiment has not only set peasant against peasant but many peasants against the State. Even crop yields in the collective sector differ little from those in the private sector." There is "inefficiency and waste, bureaucratic methods and internal conflicts shirking and loafing."

In a recent publication entitled *Marx against the Peasant*, Prof. Mitrany points out how in Eastern Europe small-scale farms have persisted successfully despite the Marxian theory of large-scale agriculture. Dr. Mitrany also opines that even where large-scale farming has been successful commercially "it has been apt to prove costly nationally because it exhausts the stored goodness of the soil." Practical experience in farming has amply demonstrated the fact that large-scale and mechanised farming often results in increased productivity per man but not per acre.

Mr. Massingham in his book *The Small Farmer* makes the following categorical statement:

"Taking into account human limitations and other natural factors wealth per acre (both 'input' and 'output') tends to move in inverse ratio to size of holding." This is mainly due to "a persistent and permanent desire for a life of independence on the land."

During my tour round the world, I had the opportunity of visiting the Japanese countryside with well laid-out small and artistic farms the average size of which is only 2.5 acres. In China also the present Communist Government has started by first fragmenting bigger plots of land into smaller pieces for being distributed to the actual tillers of the soil. The State has sunk thousands of surface wells in order to provide better irrigational facilities to the cultivators. It is through intensive cultivation and almost "hand-farming" that China and Japan are able to produce about two to three times the Indian yield per acre.

There is large-scale farming in the U.S.A. and the U.S.S.R. because their proportion of land to the population is very different from that obtaining in Europe, China, Japan and India. They cannot but organise large-scale and mechanised farming because labour is very scarce and land is very extensive. Even in the U.S.A., however, where only 18 per cent of the total population is at present engaged in agriculture, there is a growing tendency towards smaller-scale farming because a large number of people now desire to settle on land and live in "garden cities" in the countryside.

In the U.S.S.R., which is the home of Collective Farming, there was very severe resistance to collectivisation by the farmers. Doreen Warriner in his *Revolution in Eastern Europe* tells us how "the Soviet experience was a grim lesson."

"Collectivisation brought two years of famine and an immense slaughter of livestock which it took ten years to make good.

Despite the Kolkhoz (collective farm) in Russia, every worker on a big farm is allowed a small holding sufficient for his needs varying from a half to two-and-a half acres.

On these small farms, the Russian peasants work hard with the sweat of their brow to produce for the needs of their families. As the author of *The Land and the Peasant in Rumania* states, the fact of the matter is that "the form of intensifying production has proved to bring in returns which, for a number of reasons, diminish in the proportion in which the size of the agricultural undertaking increases."

"Protagonists of large-scale farming," observes Charan Singh, Revenue Minister, Uttar Pradesh, "love to think that a plot of four acres will yield a produce not equivalent to

a plot of four acres while added to another of four acres will yield a produce not equivalent to that which one single plot of eight acres would do, but something higher. This conclusion may be true of manufacturing industry, but not of agriculture."

As I have indicated earlier, this does not mean, however, that there should be no scope for co-operation in such small-scale farming. On the contrary, mutual aid and co-operation among small-scale farmers for various agricultural processes is of vital importance. Short of collectivising their land, they can help one another in ploughing operations, in weeding, harvesting, marketing, purchase of essential commodities both for consumption and production. There could be ample scope for co-operative banking and credit, mutual insurance against loss of cattle or less by drought or excessive rain, co-operative irrigation and drainage, co-operative dairying and stock-raising, crop-planning by the village community, etc. Co-operative consolidation of holdings in the case of very small and uneconomic plots could also be practised.

In order to relieve unemployment among the landless labour and satisfy the legitimate hunger for land, it is, therefore, imperative to undertake re-distribution of land on a very wide scale. Vinoba's "Bhoomidan" movement is creating the necessary atmosphere for the transfer of land from the rich to the poor almost without any compensation and with good-will and sympathy. Such an atmosphere of peaceful redistribution of land could alone save the country from a bloody revolution which the Communists are only too ready to precipitate.

I, therefore, regard Acharya Vinoba's "Yagna" as of paramount significance in solving one of the most difficult problems facing not only India but the whole world. The Acharya has been eminently successful in scattering the seeds of a bloodless revolution over the vast tracts of India. We may not fully realise the immense potentialities of the "Bhoomidan" movement at this stage. But I have no manner of doubt that Vinoba's Land Movement will go down in history as one of the most potent landmarks in the titanic struggle of the good with evil, of non-violence with violence and of the forces of peaceful construction with the frenzy of hatred and destruction.

*March, 1953.*

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## SARVODAYA AND MARXISM

At a meeting in Madura, Prof. J. C. Kumarappa is stated to have observed that "Gandhiji's ideals were already in practice in Russia to a certain extent" and that "though the Russian ideal was not Sarvodaya in the fullest sense of the term, the social order in Russia today very much approximated in certain respects to Gandhian ideals." We are sorry to find that during the last few months the learned Professor, consciously or unconsciously, has been instrumental in creating great confusion of thought in the public mind about the twin ideologies of Gandhism and Communism. It is, therefore, no longer desirable to allow his statements and utterances to go unchallenged.

It is, undoubtedly, true that we are all dissatisfied with the Capitalist way of thinking; Capitalism as a creed and economic philosophy is now dead as dodo. We are also fully conscious of the fact that the prevailing economic conditions in India are far from satisfactory and that the problems of poverty, unemployment and economic inequalities need be tackled with a sense of urgency. Leaders of different political parties are gradually realising the inevitability of Gandhian approach to most of our economic maladies and the dynamic philosophy of Sarvodaya is being increasingly appreciated with a sense of realism and practical commonsense. But to suggest even vaguely that Sarvodaya and Marxism are similar in certain respects and that Gandhism is being followed in Russia is to render great disservice both to Sarvodaya and Marxism. The two ideologies are, indeed, poles asunder and their basic principles are almost diametrically opposed to each other. Shri K. G. Mashruwala, the well-known authority on Gandhian thought, took special pains to write a series of articles in the *Harijan* strongly repudiating the suggestion that "Gandhism is Communism minus violence." These articles have since been published in the form of a booklet entitled "Gandhi and Marx". "Gandhism and Marxism," observes Shri Mashruwala, "are as distinct from each other as green from red, though we know that to the colour-blind even green and red might appear alike." It is, certainly, a matter for regret that Prof. Kumarappa appears to be, of late, suffering from such a colour-blindness.

Acharya Vinoba Bhave has also been repeatedly telling us that the "two ideologies are irreconcilable and the



differences between them are fundamental." On being told that Gandhism differed from Communism only in its strict emphasis on non-violence, Vinobaji remarked: "Two persons were so physically alike that one could have well served as the double of the other in a political fraud. But there was a slight difference; one breathed, the other did not." Acharya Vinoba Bhave has stated several times that "ultimately it will be Gandhism with which Communism will have its trial of strength." According to him, there is greater similarity between Marxism and Capitalism because both attach great importance to material needs and physical welfare rather than to moral standards and spiritual well-being. Mahatma Gandhi also regarded Bolshevism as "the necessary result of modern materialistic civilization" and stated: "In so far as it is based on violence and denial of God, it repels me." Gandhiji always detested this "mad race after money and material goods" and laid great stress on a higher 'Standard of Life' rather than merely a high standard of living.

The fact of the matter is that Sarvodaya and Marxism are basically dissimilar and any attempt to reconcile them is bound to prove futile and even hazardous. To Gandhiji, spiritual values were of the essence in all aspects of human existence; to the Marxists, religion and philosophy are the "opium of the poor". "The first word of religion," said Engels, "is a lie." Lenin regarded it as "one of the aspects of spiritual oppression." The Marxists regard Mind as "a derivative of Matter". To them the conception of a Soul and spiritual values are, more or less, fantastic nonsense and betray bourgeois mentality. Moreover, Gandhiji attached great importance to the means and methods and never believed in the theory of ends justifying the means. While the Mahatma insisted on Truth and Non-violence even for the achievement of Indian Swaraj, Lenin thought it necessary "to use any ruse, cunning, unlawful method, evasion, concealment of truth" for the achievement of his objectives. "Even though Russia has many achievements to her credit," wrote Gandhiji in 1942, "her work will not endure unless her methods are clean." Mahatmaji was convinced that permanent good could never be the outcome of untruth and violence. Writing in the Harijan as late as 1946, Gandhiji observed:

"The Communists seem to have made trouble-shooting their profession. I have friends among them. Some of them are like sons to me. But it seems they do not make any distinction between fair and foul, truth and falsehood. They deny the

charge. But their reported acts seem to sustain it. Moreover, they seem to take their instructions from Russia, whom they regard as their spiritual home rather than India. I cannot countenance this dependence on an outside power."

While Gandhiji firmly believed in "the essential goodness of human nature" and preached the change of hearts rather than the breaking of heads, Stalin was of the definite view that "you cannot conquer the enemy without learning to hate him with all the power of your soul."

There is one more essential difference between Sarvodaya and Marxism. To Gandhiji, democracy was the very basis of a non-violent and Sarvodaya society. Even centralisation of political and economic power was detrimental to the healthy growth of a Sarvodaya State. But to the Marxists, democracy is "a bourgeois conception which the revolutionary proletariat must overthrow" (Lenin). Trotsky also endorsed this view by naming democracy "as a wretched and worthless masquerade". In his book, *The State and Revolution*, Lenin made it quite clear that the Communists seek "an opportunity to crush, to smash to bits, to wipe off the face of the earth the bourgeois state machinery, even its republican variety." While Gandhiji advocated the establishment of a decentralised socio-economic order based on cottage industrialism and village community life, the Marxists visualise a "dictatorship of the proletariat" founded on a highly centralised state and a mechanised, industrialised society. The ultimate aim of Marxism is said to be the establishment of a classless society in which the State shall "wither away". But, as Prof. Aldous Huxley observes in his *Ends and Means*, such a highly centralised State "may be smashed by war or overturned by revolution from below; there is not the smallest reason to suppose that it will wither away."

It is no use labouring the point further. It is clear as daylight that the two ideologies of Sarvodaya and Marxism are fundamentally different from each other. Any attempt to create confusion of thought at a time when the two modes of thinking are engaged in a Titanic struggle for survival in India and outside is, to say the least, un-Gandhian.

*April 15, 1953.*

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## TOWARDS ECONOMIC FREEDOM

The Agra Session of the All-India Congress Committee devoted its attention mainly to the serious economic issues facing the country. We attach the greatest significance to the two resolutions on Unemployment and the Social and Economic Programme passed by the A.I.C.C. after careful consideration of all aspects of the problem. It will be wrong to regard these resolutions as mere "pious hopes and platitudes"; they embody the will and determination of the Congress to bring about a social and economic revolution in the country after the achievement of political freedom. We have, indeed, been able to achieve substantial results in various spheres of national development during the last few years. Thanks to the able guidance and wisdom of our great leaders, it has been possible for us to consolidate and stabilise our newly-won political independence. Besides, the country has made impressive progress in different fields of economic activity. But we are ourselves not satisfied with the pace of progress in the social and economic domains. The resolution, therefore, rightly points out that "the pace of progress must be quickened more specially in regard to land reform and industrial growth." The A.I.C.C. "attaches the greatest importance to the introduction of far-reaching land reforms in India" in order to make "the actual tillers of the soil the owners of land." The State Governments have been asked to "take immediate steps in regard to the collection of the requisite land data and the fixation of ceilings on land holdings" with a view to "redistribute the land, as far as possible, among the landless workers." Every effort is to be made "to add to the volume of investment for developmental purposes" through voluntary and, wherever possible, even compulsory savings. The machinery of administration and in particular the Services have also to be "reorganised with a view to deal effectively with the problems connected with the establishment of a Welfare State." The legal system which is "expensive and dilatory" should be revised and made "simpler, less costly and more expeditious." The Planning Commission has been asked to "re-examine" the Five-Year Plan with a view to "its expansion in such directions as would lead to an increase in the volume of employment." The State has been enjoined to "assume a larger degree of responsibility in regard to cottage and small-scale industries" in order to provide fuller opportunities for the proper utilisation of

country's man-power. The A.I.C.C. has also stressed the need for the reorganisation of our educational system so that it may adapt itself better to the present requirements.

It is now necessary to follow up these important resolutions with definite lines of action, and we are confident that the Government of India as well as the State Governments will take early steps to secure for the country a true type of social and economic freedom for the common good of all citizens irrespective of any distinctions. It is essential to tackle our economic problems in a crusading spirit. Time is of the essence in a fast-moving world of today; we cannot afford to follow a policy of over-caution and "gradualness". There is, of course, great risk in moving too fast; but the risk in not moving fast enough is no less. All of us have to realise that the quintessence of economic freedom is economic equality and reduction of glaring economic disparities in our present-day society. With a yawning gulf between the rich and the poor, all talk of economic freedom appears to be futile and meaningless. In order to establish real economic justice in society, it is necessary to fix ceilings on incomes either from land or from other kinds of property. The A.I.C.C. has called upon the State Governments to take early steps to fix ceilings on land holdings for redistributing land among the landless. We also welcome the Estate Duty among the urban population. It will, however, be desirable to re-orient our taxation policy with a view to bridging the existing gulf between the haves and the have-nots.

In regard to land reforms, we would draw the attention of all the enthusiasts for large-scale farming in this country to the fate of collectivization in Eastern European countries like Yugoslavia, Poland and Hungary. In Tito's Yugoslavia, collective farms have not only "set peasant against peasant, but also peasant against the State." In Hungary, collectivization has recently been "slowed down," because it has "impoverished and antagonised the population and brought the country to the verge of economic collapse." (Vide London Times, July 6). In China, there is a movement for allowing more "liberty for the peasant" by making collectivization voluntary and doing nothing "to neglect or roughly hamper the peasant's activity as an individual economic unit." The history of collectivization in the U.S.S.R. also clearly indicates the need for great caution in trying similar experiments in India. As in Japan and several countries of Western Europe, small-scale farming and co-operative endeavour in different processes of agriculture is best suited to Indian conditions. Instead of trying to pool land on the basis of highly mechanised farming, we

should try to persuade the individual small-scale peasants to pool their resources of production like cattle, irrigation, manuring, etc. as also processes of agriculture like sowing, weeding and harvesting on a co-operative or mutual-aid basis. That is why we have welcomed Acharya Vinoba Bhave's Bhoodan-Yagna as a novel way of redistributing land to the landless on the basis of small-scale and intensive farming.

The problem of Unemployment is, indeed, a serious problem which requires to be tackled on many fronts. We have expressed our views on this question on previous occasions also and have regarded Unemployment as Enemy Number One in India. In order to liquidate it effectively, it is essential to provide the fullest scope for the development of small-scale and cottage industries. Unless our pattern of production becomes labour-absorbing rather than labour-saving, it would be impossible to solve the problem of Unemployment or partial-employment in this country. This is not sentiment or a Gandhian "fad"; it is pure and simple arithmetic. Of course, the technique of cottage production has to be made as efficient as possible with the help of technical or scientific knowledge. The public has also to play its own part in patronising the goods of cottage and small-scale industries as compared with those articles produced by big mills and factories. The Government of India must re-orient its Import Policy with a view to protecting the interests of small-scale and decentralised production in India. The import of consumer goods which can be easily and efficiently produced in our own country through cottage and village industries must be rigidly curtailed and even completely stopped. Our educational system requires radical changes in order to impart to our young men the capacity to work hard physically for earning their living. The present schools and colleges have become veritable factories for quickly turning out armies of the educated unemployed who are proving to be a source of potential danger to the stability of our democratic traditions.

We welcome the reference to the Re-organisation of Services in the resolution of the A.I.C.C. at Agra. We earnestly hope that the Government of India and the State Governments will now try to implement the recommendations of the Planning Commission in this regard with a strong will. Prof. Appleby's suggestions also deserve to be considered seriously for making our administrative machinery more flexible and less rigid. So far as the desirability of Legal Reforms is concerned, we suggest that the Govern-

ment of India should soon appoint a High-Powered Commission to go into this complicated question thoroughly and submit its definite recommendations within a year. Various schemes for tapping the idle capital resources, particularly in the rural areas, should be prepared by the Planning Commission in consultation with the Ministries of Finance and Communications. In such schemes, special facilities should be provided for earmarking funds for specific local projects in different areas.

It is also gratifying to know that the A.-I.C.C. has accepted most of the amendments to the Congress Constitution as proposed by the Working Committee. These amendments are meant to revitalise the Congress organisation with a view to making it a sharper and more efficient instrument for effecting an economic revolution in India. We feel confident that with the reorganisation of the Congress, the land and industrial systems, the administrative services, the educational system, the commercial policy and the legal procedure, we shall be able to achieve economic freedom for our great country within the next few years. Our first fight for political liberty began in 1857; we achieved Independence in 1947; let our fight for economic freedom bear ample fruit before the beginning of 1957!

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*July 15, 1953.*

## SOCIALISM AND SARVODAYA

It was, perhaps, for the first time that the economic policy of India was discussed at length in the Parliament. Shri C. D. Deshmukh, who initiated the debate, made it quite clear that "the central objective of our economic policy from now on must be to create full employment conditions, within a reasonable period, say, ten years from now". This is by no means an over-ambitious goal. "In achieving this", said the Finance Minister, "there is ample scope for expansion both in the public and private sector." According to the calculations of Shri Deshmukh, some 24 million jobs would have to be created if our objective were full employment, and the total investment would have to be of the order of Rs. 1,000 crores a year. Considering the numbers involved, while the development of major industries must continue in national interest, the Finance Minister thought that it was necessary "to foster the development of small-scale and village industries with greater opportunities for employment and more and more chances of improving the resources of the population." Intervening in the debate, the Prime Minister reaffirmed his policy of bringing about a "casteless and classless society" through the "peaceful and cooperative method." It was also made clear that India's approach to Socialism was not a doctrinaire approach but a practical way of achieving the basic objectives of full employment, more production and economic justice. Shri Nehru pointed out that it was, more or less, meaningless to talk about conflict between the public and private sectors. In a socialistic pattern of society, the public sector was bound to be increasingly important. But there would be ample scope for the private sector as well with public control at "strategic points." After all, the biggest private sector in the country was "the private sector of the peasant with his small landholdings."

Both the Prime Minister and the Finance Minister declared that the Industrial Policy of India still continued to be, more or less, on the lines of the announcement of 1948, although there might be "shifts of emphasis from time to time." It should be clearly understood that though there was still enough scope for private enterprise, "the days of laissez faire are past." "In modern conditions, particularly in a State which, like ours, has set before itself the ideal of a Welfare State, there can be no complete anti-thesis between public and private enterprise, nor any difference of opinion about the needs for the regulatory func-

tions of the State." What is most important, however, is the problem of increasing the rate of savings and investment. In order to ensure full employment to the people of India, it is estimated that the rate of investment should be 10 per cent of the annual national income. It should be understood, however, that economic planning in underdeveloped countries cannot depend on monetary resources only. The main problem is to organise and utilise the idle man-power of the nation. It is from this point of view that increasing attention will have to be paid to the development of small-scale and village industries.

The Finance Minister was on uncertain ground when he stated in the Parliament that additional jobs for providing fuller employment "must obviously be created in the non-agricultural sector." If 12 million new jobs are to be found in the country by the end of the Second Five-Year Plan, it would be impossible to do so in the urban areas alone. We have no doubt in our minds that additional employment on a large scale will have to be found in the direction of agro-industries like hand-pounding of rice, oil-pressing through village ghanis, hand-spinning and weaving of cotton, silk and wool, leather-making, animal husbandry, manufacture of gur, khandsari etc. There is already enough congestion in our cities and the process of depopulation of our villages is almost continuous. If we attempt to provide work to idle people in the urban areas through small-scale industries, there is bound to be greater congestion in the cities and a number of additional problems, social, economic and moral, will crop up. The best solution of the basic problem of fuller employment is, therefore, to provide work to the peasant or the artisan at his very door in the form of village and cottage industries. This plan could be achieved only if the State decides to avoid unhealthy competition between the large-scale and small-scale industries by reserving the fields of production for the small industries. For example, we see no reason why all edible oils should not be reserved for the village ghani. Hand-pounding of rice which has been providing gainful employment to several lakhs of our workers could be encouraged by banning the use of rice-hullers more specially in the countryside. In regard to leather manufacture, factories should not be permitted to prepare certain varieties of deshi footwear like chappals and sandals. It is only through such reservation or demarcation of spheres that the State could hope to afford greater employment facilities to millions of our people who are either totally unemployed or are partially employed for only a few months in the year. There is no other way out.



In trying to establish a socialistic pattern of economy in India it would be futile to regard nationalisation of industries as the panacea for all evils. It is, of course, essential that basic or mother industries like Iron and Steel, coal, power, and heavy machinery ought to be State-owned and State-managed. But no attempt need be made to nationalise other existing industries which manufacture consumer goods like cloth, sugar, oil etc. Instead, all these large-scale consumption goods industries should be progressively decentralised in the form of Cooperatives. In short, the kind of Socialism that we desire to establish in this country would be very different from the Socialism of those countries where population is sparse and capital is plenty. In a country like ours, where population is dense and capital is scarce, a socialist economy must be in the nature of a decentralised economy. In India, Socialism can only mean Sarvodaya.

There is one more point which Mahatma Gandhi used to emphasise repeatedly. Sarvodaya economy should not be based merely on the production and accumulation of more wealth and material articles. We must always bear in mind that man does not live by bread alone. Along with the fulfilment of our material needs, we must try to raise our cultural and moral standards as well. That is why Gandhiji laid stress on the concept of "standard of life," rather than on the "standard of living". "I wholeheartedly detest," said Gandhiji, "this mad desire to destroy distance and time to increase animal appetites and go to the ends of the earth in search of their satisfaction." "By going on increasing the volume or pitch of sound," wrote Gurudev Tagore, "we can get nothing but a shriek." Kautilya, the distinguished Indian economist and thinker of the fourth century B.C. observed in his "Arthashastra": "Whoever is of reverse character, whoever has not his organs of sense under his control, will soon perish, though possessed of the whole earth bounded by the four quarters." That is why our Vice-President, Dr. Radhakrishnan, has described the Indian way of life as "Ethical Socialism."

Such a pure type of Socialism can be established in India only through the Gandhian technique of decentralised economy and "composite" democracy in the form of self-dependent and self-governing village communities or Panchayats. A bold decentralisation of political and economic power would go a long way in enabling us to establish a kind of social and economic order which could serve as a model to other countries of the world. A highly centralised State with a centralised economic system tends

to become authoritarian or totalitarian with all the resultant evils. India must avoid such a regimented and over-centralised type of economy. Moreover, true socialism could be established only if there is a visible and real change in the attitude of the individuals who compose the society. "Socialism begins," said Gandhiji, "with the first convert." "If there is one such, you can add zeroes to the one and the first zero will account for ten and every addition will account for ten times the previous number. If, however, the beginner is a zero, multiplicity of zeroes will also produce zero value." When individuals change, the society also changes. In order to bring about a Sarvodaya Society, therefore, all of us must "turn the searchlight inwards" and begin by reforming ourselves. There can be no shortcuts to true Socialism. It is not merely an economic doctrine but also a way of life.

*December 25, 1954.*

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## PRIME MINISTER'S MISSION TO CHINA

The visit of the Prime Minister to China is, undoubtedly, one of the most important and significant events in recent world history. It marks a turning point in the history of Asia. Although the New York Times has 'deplored' Shri Nehru's trip to Peking, the memorable meeting of the Prime Ministers of India and China has been hailed by the world press as a "major event". The News Chronicle of London declared that the meeting may "change history", because "one of the greatest problems today is to bring understanding of China to the West, and to bring understanding of the West to China". The Pravda describes Shri Nehru's visit to China as "an important step for the consolidation of peace in Asia and in the whole world". Shri Nehru himself described his visit as "one of the biggest events of the year and of the decade". "The Prime Minister of India going to China is world events in a potential sense." The reception that was accorded to Shri Nehru in Peking was unprecedented in the history of China. She gave "the biggest welcome ever extended to a visiting statesman", when nearly a million people cheered Shri Nehru as he drove in a Sedan car along the ten-mile road from the airport to the city. Mr. Chou En-lai, the Prime Minister of China, said that "peaceful co-existence and friendly co-operation between China and India will certainly facilitate the gradual realisation of peaceful co-existence among other Asian countries and countries of the whole world". Shri Nehru remarked that in the present confused and difficult world the relationship between China and India would be a matter of great significance. "Ultimately, human beings count more than anything else and the nearly one thousand-million human beings who live in India and China must count".

On his way to China, Shri Nehru had also the opportunity of visiting Burma and the three States of Indo-China, namely, Laos, Viet-Nam and Cambodia. His meeting with Dr. Ho Chi-minh "in a long embrace" was of great value in cementing the forces of peace and brotherhood in Asia. He assured Shri Nehru that he would continue to give "full co-operation to the International Commission supervising the Indo-China Cease-Fire Agreement." He re-affirmed his faith in the "Five Principles" for bringing about friendly relations and peaceful co-operation between different countries. The Dalai Lama of Tibet, who saw and spoke with

Shri Nehru for the first time, was surprised that the 65-year old Indian Prime Minister "looked so young". Shri Nehru's meeting with Mao Tse-tung, Chairman of the Chinese Republic at the Forbidden City, the ancient palace of Chinese Emperors, was also a "historic scene" which may prove to be of extraordinary significance in the annals of not only Asia but of the world.

India and China have been good and friendly neighbours during the last two thousand years. Both of these ancient countries are now coming into their own. They have shed the shackles of serfdom and colonialism and are now destined to play a vital role in shaping the future of the world. The Western Powers have so far been trying to dominate the Asian countries. They have been playing off one Asian country against the other. But the times have now changed. The West can no longer dominate the East. The two biggest Asian countries, India and China, have combined together not in organising collective aggression but for forging "collective peace". As Shri Nehru observed in a broadcast from Peking, "the two countries will co-operate and help each other in the greatest adventures of all—the firm establishment of peace in the world". The parting scene between Mao and Nehru at which Mao quoted an old Chinese poem, showed the friendly feelings of the Chinese people towards India. Shri Nehru also expressed deep gratitude to the Government and the people of China "for all the kindness and friendship" showed to him during his brief stay. Shri Nehru described Mr. Mao Tse-tung as a "great warrior, a great revolutionary and a great builder and consolidator". Shri Nehru added: "May he now be a great peace-maker also."

It is wrong to think that by establishing closer contacts with China, there is a likelihood of encouraging Communist forces in this country. Prime Minister Nehru has made it abundantly clear that India is wedded to the ways of peace and democracy. Our National Planning is founded on democratic principles and does not visualise any totalitarian system. China, on the other hand, though by no means an appendage of Soviet Russia, is following different methods. It is clear that India does not subscribe to all such methods. She is determined to follow the path of democracy in accordance with the teachings of Mahatma Gandhi. Yet, there are many ways in which the two great countries, India and China, can co-operate with each other for the common good. In a broadcast to the people of China, Shri Nehru observed that "India and China can co-operate in many ways, even though their problems may differ to some

extent and their methods might not be the same." "The essential thing between two nations and two peoples is tolerance and friendly feeling. If these are present, the other things follow. I am convinced these are present in India and China". India has always believed in the principle of unity in the midst of diversity. This ancient country of ours has tolerated and successfully absorbed different races and cultures through the centuries. The same principles can be applied to the international sphere. Although the political and social ideologies of India and China may differ even basically, there is no reason why the two countries cannot draw nearer to each other and work ceaselessly for creating "an area of peace" for the good of humanity. The principle of "co-existence" is in conformity with the well-known principle "live and let live". If the world shakes the "fear psychosis" and different countries learn to live together despite fundamental ideological differences, all will be well with us. Today, America is afraid of Communism and Russia is afraid of Capitalism. If a policy of co-existence and non-interference is followed sincerely by different nations, all these fears can melt away like the morning mists.

There is, however, one special point to which we would like to refer. In his *Glimpses of the World History*, Shri Nehru observes that "the strength and perseverance of India in the past seem to have lain in her widespread system of village republics or self-governing Panchayats". "As in India, so also in China," continues Shri Nehru, "the strength of the social system lay in the villages." Mahatma Gandhi always laid emphasis on this aspect of democratic institutions. To him decentralised democracy in the form of village raj. Centralisation and totalitarian methods ultimately resulted in violence and regimentation of humanity. In the modern world, there is a Titanic struggle between the forces of democracy and totalitarianism, violence and non-violence, peace and war. In economic terms, the conflict is between Capitalism and Communism. All these conflicts can be effectively resolved only through a policy of bold decentralisation which would eschew both the extremes and harmonise the good points of both the ideologies. If India and China could co-operate with each other in this great experiment of decentralised democratic and economic system, a lasting solution can be found for the various ills that plague the modern world. We earnestly hope and trust that out of the present good-will between the two countries, there shall be a better opportunity of carrying out such an experiment.

The role of India in international affairs is that of a peace-maker. India has carefully avoided aligning herself with either of the two Power Blocs. Her policy of peace is not a negative or a passive policy. It is a positive and dynamic idea. Real peace in the world would prevail only if there is a genuine synthesis of conflicting ideologies. Such a synthesis could be obtained by following the Gandhian way of decentralised democracy and decentralised industrialisation. Mere pious wishes cannot take us very far. In this great task of evolving a true ideological synthesis, India and China together can play a very important and significant part. We earnestly hope that the bonds of friendship between the two countries would pave the way for this great and noble work.

*November 1, 1954.*

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## ECONOMICS OF STUDENTS' TURMOIL

All that happened in Lucknow recently requires serious thought and consideration by those who are vitally interested in the promotion of peaceful and democratic traditions of public life in this country. The whole trouble is supposed to have arisen out of a comparatively minor matter. Whether the membership of the Students' Unions should be compulsory or optional is a subject over which there can be honest difference of opinion. Both in India and abroad, different types of constitutions for Students' organisations prevail in different Colleges and Universities. We must realise, after all, that Students' Unions are not like Trade Unions where the workers are organised to safeguard their economic interests against the mill-owners: they are, in fact, meant to be in the nature of extra-curricular activities to supplement academic studies. In India, relations of teachers with their pupils have been, from times immemorial, of the most sacred and sublime nature. It will be nothing short of a great tragedy if the teacher-pupil relationship is in any way reduced to the level of Trade Unionism in the economic or commercial sense. From this standpoint, the recent disturbances in the Lucknow and Allahabad Universities must be regarded as most unfortunate. Whatever might have been the grievances of students in regard to the constitution of their Unions, the acts of violence and indiscipline perpetrated by them deserve the severest condemnation.

It is, however, not enough to condemn those events and not try to study the basic causes of unrest and turmoil among the student community. During my tour round the world a few years ago, I had the opportunity of visiting many countries and contacting students of different Universities in various parts of the globe. I can say with confidence that the Indian students are in no way inferior to the students of any other country in the world from the point of view of intelligence, resourcefulness and hard work. Our young men also played an important role in the history of freedom struggle in this country. They have been acquitting themselves very creditably in various fields of technology and research relating to the programmes of economic and industrial development in India. We are surely proud of their achievements and have great faith in their potentialities. If they are in a sullen mood today, it is due to a variety of causes. Their agitation is partly

due to political reasons because a few partymen try to exploit young students for furthering their political ends. This is surely detrimental to the growth of healthy educational traditions and merits emphatic disapproval. We have been of the definite view that our young men, so long as they continue to be students, should not dabble in party politics, although they should take a deep interest in national and international political events. After the completion of their studies, they will, of course, be entirely free to join any political party in the country. But, as Gandhiji observed, students should be "searchers and not politicians."

Turmoil among students is also partly due to the ever-widening gulf between the teachers and the taught. In our Colleges and Universities, the teachers are now more interested in their Examinerships and group rivalries than in the primary task of imparting sound knowledge to the young men entrusted to their care. The personal example of the teachers is not capable of inspiring the students for imbibing high ideals of conduct. There is marked fall in the standards of scholarship among teachers with the inevitable result that "scholars" have now become rare commodities in our educational institutions. Schools and Colleges have become veritable centres of commerce and business; they are more in the nature of factories manufacturing unemployable graduates rather than the Temples of Knowledge. This is why an undesirable type of Trade Union spirit manifests itself in these educational institutions and leads to most deplorable conditions and consequences. The Gurus of old concerned themselves mainly with the imparting of knowledge and character to their pupils and cared very little for the tuition fees that the students paid according to their capacities. Our educational centres are now mainly concerned with the financial aspect and pay very little heed to the moral, emotional and intellectual development of the students. This is, surely, a very sorry state of affairs and requires our urgent and serious attention. The numerical strength in Schools and Colleges has become very unwieldy; there are regular "shifts" as in the factories. It is, therefore, futile to expect great results from such commercialized educational concerns.

Above all, uneasiness among students is mainly due to a deep sense of frustration. After spending their youthful energies and hard-earned money of their parents, they are faced with bleak prospects of hunger and unemployment in a society which is still full of glaring economic inequali-



ties. The existing system of education is so unrealistic and "bookish" that its products cannot afford to entertain any high hopes of a bright future. On the one hand, the nation needs a vast number of trained technicians for a variety of developmental schemes under the first Five-Year Plan, and, on the other hand, there is an ever-increasing army of unemployable under-graduates, graduates and post-graduates who are compelled to knock from door to door for obtaining jobs befitting their academic degrees and diplomas. The type of education at present imparted to our young men has hardly any relation to the realities of the situation. In place of purely Arts or Science Courses, there is an urgent need for establishing a number of Polytechnical institutes with a view to training up students for specific positions in life. In other words, our academic system requires radical changes in order to integrate education with the National Plan of economic development. Mahatma Gandhi gave us a new system of Basic education for training young boys and girls through the medium of productive crafts and community work. It is gratifying to know that the Government of India and the Planning Commission have now accepted Basic education as the future pattern for Schools and Colleges in this country. The Secondary Education Commission has also recommended such type of craft-centred educational institutions with diversified Courses of Study in accordance with local conditions. We earnestly hope that no further time will be lost in introducing far-reaching changes in the Primary, Secondary and University stages of education so that students may be able to put their heart and soul in the studies that they are expected to pursue during the best portions of their lives. Systematic plan for reforms in education should be prepared by the State Governments almost immediately so that there may be visible signs of improvement from the next academic year. Without such fundamental changes in the pattern of education, it is impossible to enforce artificial discipline among students through appeals and threats.

This does not, however, mean that we should tolerate acts of violence, arson and goondaism from any quarter. Despite the economics and politics of students' turmoil, the fact remains that indiscipline and violent activities must be checked and suppressed effectively if democracy is to survive and develop in India. We are fully conscious of the fact that there are a few political parties in the country which are out to create chaos and violent upheaval in society for attaining their objectives. They do not hesitate to exploit all kinds of situations for fostering crime and confusion. The State cannot afford to treat such acts lightly and leniently. Threats of fasts and hunger-strikes have

become the fashion of the day. "Morchas" are another kind of "political stunts". The technique of fasting was employed by Mahatma Gandhi on very rare occasions. He considered himself the master of that technique and did not allow others to use it without his specific consent. Acharya Vinoba Bhave, who is the greatest and noblest disciple of Gandhiji, also tells us that fasts that are being undertaken for trivial causes are very wrong in conception. They are surely against the spirit of Gandhi. I would, therefore, earnestly appeal to all students in the country not to reduce the noble instrument of fasting to a farce. The Nation expects great things from them. In more senses than one they are the builders of New and Free India. Let them realise their onerous duties to the Motherland and rise to the occasion. With radical reforms in the system of education and with substantial improvement in the economic condition of the country, we have no manner of doubt that the youth of India will come into their own and play a historic role in re-building this ancient land on the sound foundations of peace, democracy and economic justice.

*December 1, 1953.*

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## REVOLUTION IN EDUCATION

We are all painfully aware of the fact that our educational system has not undergone any revolutionary changes with the advent of political freedom in India. Just as a new State flies a new flag, so a new Government should evolve a new type of education. Unfortunately, our educational structure does not bear the imprint of Swaraj and appears to be almost as listless and 'academic' as it used to be during the days of our political dependence. The courses of study and the text books in our schools and colleges do not breathe the air of freedom and national independence. Students in our educational institutions hardly feel that they have now the good fortune of being the citizens of Free India. This is, certainly, not a happy state of affairs.

Gandhiji had given us a new system of education about fifteen years ago. It was born of his own experiments in his Ashrams in South Africa and later in India. He wanted us to impart education to the children through the medium of useful and productive activity. The teaching of various academic subjects like History, Geography, Arithmetic, Civics, Science and Economics was to be "correlated" to the teaching of certain Basic crafts like spinning, weaving, carpentry, smithy, agriculture and gardening. Thus, the school children could follow the principle of "learning through doing" and also "earning while learning". This new type of Basic education has now been before the country for a number of years and many Basic schools are being run in different parts of India. The Planning Commission and the Government of India have also accepted the principles of Basic education for primary schools all over the country. But it is yet not clear how the Government plans to convert the existing schools into the new pattern of Basic education. One thing, however, is clear to all of us. It is no longer desirable to open only a few experimental Basic schools and allow the old type of educational institutions to continue to function in the conventional way. If the Government is earnest about the introduction of the new type of education, let all the schools in the country be transformed into Basic institutions. The policy of having the old and the new types of schools side by side will not work. If the Government is yet not prepared to accept the Basic type of education in all its purity, let it say so frankly. We will be content, for the present, even if the State Governments introduce part-time work and part-time study in

all the schools in the country. The existing institutions are, at best, centres of Information and not Education; they have had their day and should now cease to be.

Unless our existing schools are overhauled and re-oriented, it is, in our view, extremely risky to plan for their expansion. Our young boys and girls who pass out of such institutions spread utter discontent and frustration in the public and swell the ranks of the unemployed. This army of unemployed young men in India is a potential menace to the smooth functioning of democratic government. Unemployment among the educated is now assuming alarming proportions and the problem, therefore, must be tackled by the Government and the people in all seriousness. This can be done only if our schools and colleges, instead of remaining the centres of bookish learning, become real beehives of productive activity. It is true that ready markets for the products of these educational institutions must be found by the Government; most of the home-made and school-made articles could be purchased by the State Governments themselves for the use of their various Departments. The spirit of Swadeshi has also to be inculcated in the people for patronising the products of home, village and cottage industries. In order to achieve lasting success in this sphere it is desirable to effect radical changes in both our educational and industrial domains. If we introduce Basic education in our schools without adopting a definite policy of decentralised production through small-scale and cottage industries, the products of these schools and the training imparted to the young boys and girls would be futile. On the other hand, if we change the industrial pattern without effecting modifications in the educational structure there will be great dearth of trained personnel for running the industries efficiently. The introduction of reforms in both the educational and industrial spheres, therefore, should be regarded as an integral part of the National Plan.

There is one more aspect of education to which we would like to draw pointed attention. The existing type of schools and colleges in the country do not breathe an Indian atmosphere. The syllabus, the chain of text-books and the general atmosphere in these educational institutions do not make a young boy or a girl feel that he or she is an Indian citizen endowed with a rich cultural heritage. In the name of secular education, our schools have become so colourless and Un-Indian that their students do not feel any sense of legitimate pride in being citizens of Free India. We do not suggest that attempts should be made to instil in our

young men ideas of narrow nationalism; we must try to broaden the outlook of the students and make them feel the Citizens of the World also. But we do not see any inherent conflict between healthy nationalism and human brotherhood. We earnestly hope that the State Governments as well as the managements of private educational institutions will take early steps to Indianise the schools and make them living centres of productive activities on the lines of Basic education as propounded by Mahatma Gandhi.

*June 1, 1953.*

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## ECONOMICS OF "BHOOMIDAN"

A Conference of Members of Parliament in New Delhi passed a resolution on Bhoomidan Yagna and placed on record their "sense of deep appreciation" for Acharya Vinoba Bhave's movement which has "ushered in a new chapter in the socio-economic reconstruction of India." The Conference also appealed to the public in general, and Members of Parliament and State Legislatures in particular, "to lend their active support and cooperation to this great and noble work." In the course of his Inaugural Address, Shri Nehru observed that he attached the greatest importance to the Bhoomidan movement which was a "novel way" of solving the most difficult problem of land distribution in the country. Moreover, it was helpful in creating a new atmosphere in India by trying to bring about a revolution through non-violent and peaceful means. "This movement," remarked Pandit Nehru, "may be beyond the understanding of the economic pundits, but it reaches the minds and hearts of the people." Dr. Radhakrishnan, who presided over the Conference, said that Vinobaji was preaching the "Law of Love" in place of the "Law of the Jungle" because he believed more in persuasion than in force and coercion. The Bhoomidan Yagna would show to the world that "drastic socio-economic changes could be successfully brought about not through authoritarian methods or authoritarian Governments but through democratic methods."

Acharya Vinoba has fixed the target of 5 crore acres of land donations by the end of 1957, which will complete hundred years after the first struggle for Independence in 1857, and also witness the next general elections. Five crore acres represent approximately one-sixth of the total cultivable land in India. The total number of landless labourers in the country is also about five crore. Vinobaji will be satisfied if each member of a family gets one acre of average land or a family of five receives five acres for cultivation. On the basis of an average family of five members, Vinobaji expects every land-owner to donate one-sixth of his total land by regarding "Daridranarayan" (the poor landless labourer) as the sixth member of the family. According to Acharya Vinoba Bhave, therefore, there is no question of fixing a "ceiling" as two, three or four times the average economic holding. According to him, five acres of land of average quality ought to be the "low roofing"

in India. Like food, land is the basic necessity of life and nobody should be allowed to possess more than what is absolutely necessary for subsistence.

In the course of his Address to the Conference Shri Nehru made very pertinent observations regarding the responsibility of the Government in regard to Bhoomidan movement. "The Government's responsibility," stated Shri Nehru, "is not reduced by one jot as a result of the Bhoodan Yagna." However great a success Acharya Vinoba may achieve, his movement could not take the place of law. "So the responsibility of the Central Government as also of the State Governments in solving the land problem remains and has to be fully discharged." In the first Five Year Plan, the Planning Commission have recommended that there should be "an upper limit to the amount of land that an individual may hold." This limit will have to be fixed by each State having regard 'to its own agrarian history and its present problems'. The Census of land holding and cultivation will give the data relevant to this decision by each State. The Plan has also suggested that there should be established a Central Organisation for Land Reforms for conducting research and investigation relating to land reforms in various States and "pooling knowledge and experience." We would like to know from the Central Government as to what steps have already been taken by them to implement these recommendations of the Planning Commission. We suggest that the Government of India should not lose any further time in appointing a Land Census Commission for the speedy collection of all the requisite data of the number and sizes of land holdings in different parts of the country. The proposed Central Organisation of Land Reforms should also get in touch with the progress of land legislation in various States and find out how far the State reforms fall short of the main recommendations of the Planning Commission as laid down in the Five Year Plan. A few States have, undoubtedly, gone far ahead on progressive lines. The remaining States are yet lagging behind and there is much leeway to be made up. Their enthusiasm for radical measures of land reform will have to be 'whipped up' so that they may not retain the old feudal traits any longer.

We would like to impress on the Government of India and the State Governments the desirability of speeding up Land Reforms by allotting top-most priority to this problem. It is not enough merely to formulate a progressive and

radical Land Policy in the Five Year Plan. It is of paramount importance to carry out this policy in actual practice without further loss of time. The phenomenon of "Land Hunger" is not peculiar to India; it is easily traceable in all parts of the world because it is a natural urge of the people to settle down and live on land as "sons of the soil." Any attempt to suppress or under-rate this urge is bound to prove dangerous and even disastrous. We suggest that the Government of India should take immediate steps to complete the collection of the necessary data regarding the progress of land reforms in different States. The Land Policy as enunciated in the First Five Year Plan is quite moderate and, therefore, practicable. No State Government should find it at all difficult to implement that Land Policy within a year from now. Let the implementation of the Plan be inspired by a sense of urgency specially in the sphere of land reforms. A policy of gradualness and 'hastening slowly' in the fast-moving world of today is replete with grave risks and dangers. There may also be some risks in moving too fast; but the risk of moving not fast enough is very hazardous, indeed.

Acharya Vinoba's Bhoomidan movement is very helpful in creating the right climate for the introduction of far-reaching land reforms in India through peaceful and democratic measures. It is now for the Government to fully utilise this favourable atmosphere of public opinion for the introduction of suitable land legislation at an early date. Mere lip-support and sympathy for the Bhoomidan Yagna will be of no avail. Let the generations to come not say with regret that a Gandhian Saint like Vinoba walked thousands of miles in his frail body on foot asking for land donations from village to village, but the Government of the day did not utilise the golden opportunity for enacting progressive land reforms with speed and determination!

*April 1, 1953.*

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## OUR PROHIBITION POLICY

The Bombay Government recently celebrated the third Anniversary of the introduction of total Prohibition in the State. In the course of his inspiring message on the occasion, Shri Nehru stated that in a social reform of this nature "financial considerations have a secondary place." "I have little doubt," observed the Prime Minister, "that the masses of our people profit both in the short run and in the long run by a policy of prohibition." Shri Rajagopalachari also sent a message in which he remarked: "It is immoral to encourage others to take any form of intoxicant and this is what we are asked to do when people tell us to open liquor shops to catch wage-earners.... All talk of loss of revenue is a confusion of words. It is equivalent to saying we sacrifice what we could get by decoying wage-earners and deceiving their wives and children. All this is not argument but God's truth." The Prohibition Week celebrations in Bombay marked a milestone in the progress of prohibition in our country and we take the opportunity of congratulating the Bombay Government on its bold and steady programme of fighting the drink evil despite persistent opposition and trenchant criticism from many quarters.

We are sorry to find that the policy of Prohibition is still very much misunderstood in our country even by thoughtful leaders of various political and social groups. Prohibition is even now regarded, more or less, as a "Gandhian fad" which has been responsible for the loss of our national revenues to the tune of about 50 crores. In the State Assemblies and in the Parliament, several members are never tired of maligning the Congress Governments for this "ill-conceived" and "disastrous" policy and programme. It is, perhaps, not realised by many that the Indian Constitution has given a very clear directive to the Government in regard to this policy. Article 47 of the Constitution lays down that "the State shall endeavour to bring about Prohibition of the consumption, except for medicinal purposes, of intoxicating drinks and of drugs which are injurious to health." In view of this categorical directive, it is surely unconstitutional to talk in terms of scrapping the policy of prohibition in India. There may, of course, be weighty reasons for regulating the pace of progress and implementation according to the special circumstances, financial or otherwise, prevailing in various States. But to speak against the Prohibition policy as such and to continue to run down State Governments which have shown courage of conviction and firmness of action

is, to say the least, unpatriotic; it is also a sin against the sacred Constitution of our great nation which is regarded as the Land of Gandhi all the world over.

The argument regarding the loss of revenue is, indeed, fallacious and even mischievous. The British Government always took pride in earmarking the income from excise for educational purposes. Nothing could have been more absurd and uneducational than this system of first degrading the poorer sections through drink temptations and then professing to educate their children with the "tainted" money. Any Government which depends on revenues from drink for its developmental expenditure can never claim to establish a Welfare State; it will never like to kill the goose that lays the golden egg and its natural tendency will always be to persuade more people to patronise drink for revenue purposes. Public welfare and the encouragement of the drinking habit are obviously incompatible. Moreover, we should not overlook the important fact that the policy of prohibition by itself brings about considerable good to the masses and the apparent loss of revenue directly promotes the welfare of the people. While judging the benefits of Prohibition, we are always apt to exaggerate the evil of illicit distillation and smuggling. A few surveys conducted by the public institutions of Wardha have clearly indicated the important conclusion that the masses have benefited from the policy of prohibition very substantially. Will it be wise to undermine this visible welfare of the public in order to earn revenues for being spent on invisible and doubtful benefits? It is well-known to all students of Public Finance that the incidence of excise duties on liquor, particularly in a country like India, would fall mainly on the poorer sections of the population. Revenue derived from this source is, therefore, doubly cursed; it curses him who pays and also him who collects.

It is contended by some writers that instead of total prohibition it may be advisable to allow moderate drinking through permits and rationing. This again is a plausible argument betraying ignorance of human nature. There is a very wise Chinese proverb which all of us will do well to remember: "First a man takes drink; then the drink takes the drink; then the drink takes the man." Moderate drinking is, indeed, a misnomer; it is only a mean device to entrap larger number of persons of paying excise duties on liquor. Drinking is a great evil and any kind of compromise with an evil is neither economics nor politics but naked wickedness.

We are also told that Prohibition is bound to fail in India as it did in the United States of America and that

the extent of illicit distillation would be automatically reduced with the abolition of Prohibition. This statement is also not substantiated by facts. Dr. George B. Cutten in his book entitled "**Should Prohibition Return?**" points out how during the period of prohibition in America there was unprecedented growth of home-building activities, savings deposits, life insurance investments, and consumption of milk, fruits and vegetable juices. Official reports of the Federal Department indicate that with the repeal of Prohibition in the U.S.A. there was once again an "extraordinary increase in the consumption of all alcoholic beverages....an increase of 235 per cent." Moreover, arrests for drunkenness nearly doubled, Bank deposits dwindled quickly, and the home-building activities slowed down considerably. Numerous facts and figures point to only one conclusion that even in the United States of America Prohibition had proved to be a great boon. The history of repeal of this policy in the U.S.A. is the sordid tale of the victory of "vested interests" over the interests of public welfare. And even if the policy of Prohibition failed in America, there is absolutely no reason to believe that it would fail in India as well. Prof. Scharffenberg, Executive Secretary of the American Temperance Society, recently observed in the course of a Press Conference in Bombay: "India, with her deep religious convictions, rich cultural and philosophic background, idealistic yet realistic outlook, and a generally accepted position regarding the manufacture, distribution, importation, sale and consumption of alcoholic beverages, is in a strategic position to set an example of total abstinence and national prohibition for the entire world to follow."

We should, however, bear in mind that a policy of total prohibition cannot succeed merely on the strength of legislation and police force. A social and moral reform of this nature is impossible of successful achievement without popular education and non-official cooperation. That is why Gandhiji regarded Prohibition as an important item of his Constructive Programme. The lasting success of the Prohibition programme will 'therefore' ultimately depend on the faith and energetic work of social reformers. We have not the shadow of a doubt that Prohibition is a sound and noble policy and it is the duty of all of us to make it a success at all costs. It is a constitutional obligation which each one of us should be only too willing to discharge without any fuss or fury. If Prohibition fails in India, with it shall also fail the best hope of mankind.

May 1, 1953.

## ECONOMICS OF LEGAL REFORMS

At its Agra Session, the A.I.C.C. passed a resolution on Social and Economic Programme in which it was suggested that the present legal system "should be revised and made simpler, less costly and more expeditious so as also to serve the purpose and objectives of a Welfare State." The existing system of legal justice was characterised as "expensive and dilatory." Like the "steel frame" of Administrative Services in India, the judicial structure of this country is also an inheritance from the previous foreign rule. It was bad enough during the British regime; it has become worse after Independence because it is ill-fitted to shoulder the responsibilities of a Welfare State. It is, therefore, but proper that the Congress has now taken up this issue in right earnest in order to overhaul the existing system of Law Courts in our country.

Curiously enough, the British Government is also now busy reforming its own legal system. A Committee was appointed in April 1947 under the Chairmanship of Sir Raymond Evershed, now Master of Rolls, "to inquire into the practice and procedure of the Supreme Court and to consider what reforms should be introduced for the purpose of reducing the cost of litigation and securing greater efficiency and expedition in the dispatch of business." The full report of the Evershed Committee was published only two weeks ago in London, a summary of which appeared in "The Times" of July 14, together with a valuable Editorial comment. We shall await with interest the Evershed Report for detailed study and examination. But even the summary provides enough food for thought in formulating our own proposals for Legal Reforms in India. It is interesting to know that the Committee "held nearly 400 meetings of 21 sub-committees, and 40 meetings of the full committee, and presented three interim reports." This gives us an idea of the nature of this stupendous problem which will have to be solved in this country also with a strong will and determination.

The Evershed Committee's Report points out that there must be a "new approach" to the problem of reducing the cost of litigation. It is suggested that all concerned, including the Judges, must become more "cost-conscious". It is also proposed that "in appropriate cases it should be open to a plaintiff to apply on affidavit, stating the nature

of his case, for an order for the trial of his action without pleadings." The defendant would be required to set out his defence in an affidavit, and a Master of the Supreme Court, on that information, would then decide whether the action should proceed without formal pleadings. It has also been suggested that "the ambit of the originating summons should similarly be enlarged generally to cover cases in which there was no substantial dispute of fact." The Committee hopes that members of the Bar and Solicitors would not try "to follow the well-trodden path, through habit or caution or both," but would make the new scheme a success through their "good sense and support." Many simplifications of procedure have been recommended in the Report. While inquiring into the rules of evidence, the Committee had not "picked up the magic key to the door of cheaper litigation"; it found that the most useful reforms in that respect must consist of "minor reforms" to the existing practice. It has recommended, for example, that a witness when giving evidence should be entitled either to stand or sit down, as he chose. Further, new arrangements have been suggested to enable statements made by witnesses to the police and proofs of police evidence to be obtained by the parties in "running-down" cases at an early stage in the proceedings. Appeals constitute an important factor in the cost of litigation. The Committee accordingly has put forward a scheme to enable selected cases to "leap-frog" the Court of Appeal and go direct from the High Court to the House of Lords. It has also been recommended that a machinery could be evolved "to enable points of law of exceptional public interest to be determined at public expense." Attention has been drawn to the desirability of trying to settle subsidiary issues between the advisers of the litigants before they come into the Court. Several alternative procedures proposed by the Committee are to be permissive and not mandatory. As the Editorial note of the "Times" points out, their actual effect in reducing the cost of justice will depend upon willingness of the profession to make use of them in the interests of their clients. The Editorial comment concludes with an appeal to the legal profession.

"Every judge who perceives a short cut, which will not prejudice either party, is setting a valuable example. This encouraged, it may be hoped that counsel and solicitors will be the more determined not to increase the costs of proceedings in Court by slovenly and unconsidered work in the preparation of the case. The curtailed procedures advocated by the Committee may not in themselves make lawyers more punctilious in their

preparatory work, but the implicit appeal from beginning to end of the Report is to the zeal of the profession for the honour of the law. It is a motive which has never failed."

This appeal to the judges and lawyers in Britain deserves to be considered seriously and earnestly by the legal profession in India as well. A number of major and minor changes in procedure will, undoubtedly, make for speed and lessening of costs in litigation. But the human factor in the sense of a radical change in the psychology of the judges and the lawyers is, indeed, of paramount importance in any scheme of legal reforms.

It is gratifying to know that, in our own country, the Government of Uttar Pradesh has taken a lead in this matter. It appointed a Judicial Reforms Committee with Justice K. N. Wanchoo as Chairman, in April 1950. The Committee published its Report in 1952 and the Government of U.P. accepted most of its recommendations. It is proposed to introduce legislation in the State Legislature to implement such of the recommendations as require changes in law. The other recommendations which do not require any change in law and which can be given effect to by executive orders and notifications are being implemented as early as possible. Recommendations which involve amendment in laws falling in list I of the Seventh Schedule to the Constitution of India have been referred to the Government of India for necessary action. To give an idea of the nature of the Committee's recommendations, it has been suggested that "more cases may be tried as Small Cause Court cases." The Committee has also recommended that "processes may be issued simultaneously by registered post" and that "special costs may be awarded for wrong denial of documents." It has been proposed that "Concurrent jurisdiction of the High Court and the District Court in matters relating to Divorce Act, Successions Act and Copyright Act be done away with and only District Courts may hear cases under these Acts." The Committee suggests that the "trial of Sessions cases should be without the aid of assessors" and that "the system of trial with the aid of jury be abolished." It is recommended that Posts of Commissioners and the Board of Revenue for judicial work be abolished and the work should be entrusted to District Judges and the High Court, as the case may be. In order to relieve the Judiciary of the existing pressure of work, it is proposed that "Cadre of civil Judiciary should be increased." Courts should be located gradually at Tahsil Head-quarters. The Committee strongly

recommends that "avoidable adjournments, recording of evidence piecemeal, fixing of long dates for arguments or for delivery of judgments and signing of order sheets as a matter of course, should be avoided."

Apart from the Economics of Legal reforms involving undue delays and the consequent costliness of justice, it is necessary to revise the very concept of jurisprudence which lays down that nine guilty persons may go scot-free, but one innocent person should not be punished. Our new ideal ought to be: "No innocent person should be punished; but no guilty person should go unpunished either." In order to root out anti-social activities like black-marketing, illicit distillation, adulteration of food and the prevalence of corruption, it is essential to award deterrant punishments. It is necessary to lay down the minimum punishments in the Laws themselves so that the Judiciary may not take an unduly lenient view of severe types of anti-social crimes. We earnestly hope that the Government of India and the State Governments would devote their serious consideration to these defects of our legal system so that justice may become cheap, simple and speedy and the man-in-the-street may feel the glow of real freedom as envisaged by the Father of the Nation.

*August 1, 1953.*

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## CLEARING THE ADMINISTRATIVE "JUNGLE"

Recently, the Prime Minister has been very frankly underlining the shortcomings of the existing administrative machinery in India which we inherited from the foreign rulers. Inaugurating the Conference of State Ministers of Agriculture, Prime Minister Nehru emphatically remarked that the officials approach the problems of the common man with "a coat and necktie and collar mind". "Today a vast gulf separates the ordinary people from the officials; the officials do not speak the language of the common man which makes it difficult for them to convey the results of their research and labour to others." Addressing the 24th Annual meeting of the Central Board of Irrigation and Power, the Prime Minister feelingly observed that New Delhi was an "administrative jungle"—"a jungle of able administrators no doubt, but it was nevertheless a jungle." The Prime Minister also deprecated the dependence on chaprasis. "There was no use sending lengthy notes to the man next-door in the office." "Why could not the official concerned go up to the other room or use the telephone?" The Prime Minister revealed that the population of chaprasis in New Delhi before the War was 3,200: it had now risen to 19,000. Talking to the Directors of the Railway Board and the General Managers of the Railways Shri Nehru stressed the need for administrators "remaining mentally wide-awake and keeping themselves abreast of political and scientific advancement in the present-day world." The Prime Minister asked the officers to cultivate "a dynamic outlook" in order to achieve speedy results. Laying the foundation stone of the Punjab Secretariat at Chandigarh on the 7th November, Shri Nehru stressed the urgent need for "changing the method of work in the Government Secretariat." "The old ruts must be given a good-bye and for always and those in the Services must realise that they have to work with a new spirit in accordance with the needs and circumstances which were born out of the establishment of a democratic form of Government."

The Planning Commission have drawn the attention of the Government of India to the desirability of achieving "integrity, efficiency, economy and public cooperation" in public administration with a view to attaining the aims of a Welfare State. The Agra resolution of the A.I.C.C. also urged on the Government to reform the Administrative machinery for meeting the urgent needs of a democratic



society. Although Prof. Appleby has classed the Government of India "among the dozen or so most advanced Governments of the world", he has pointed a number of defects in the working of the administrative system in our country. He tells us how in the scheme of administrative hierarchy there is too much "diffusion of responsibility". Referring to the system of "seniority", Prof. Appleby remarks that Administration in India has "too much feudalistic heritage" and "too little human-relations orientation." The personnel is arranged self-consciously in "too firm classes" and too firm and too many special "services". "There is, in consequence, too little sense of one public service, and too much jealousy." The administrative procedures require "vigorous overhauling": early attention should be paid to the "filing systems and the related business of work done through the hierarchical movement of paper." Prof. Appleby also mentions that the Rules of Business, Secretariat Instructions and Office Manuals seem to be "generally too didactic and confining, too detailed and unimaginative." They have an inevitable tendency "to encourage that literal-mindedness which damps the spirit, imagination and judgment which are important to good administration." We understand that the problem of reforming the administrative system in India is now under the active consideration of the Government and the Prime Minister is himself very keen on overhauling the machinery without further loss of time. We are happy to know that a Bill incorporating far-reaching changes in our Judicial system will be introduced in the Parliament during its winter session. We ardently hope that the Government of India will also soon announce its policy of reorienting the administrative system in unmistakable terms so that the various State Governments may initiate similar measures to improve the existing official machinery for accelerating the pace of social and economic progress in India.

We have tried to study almost all the material that is available in the country relating to the reform of Public Administration. We have also referred to the Hoover Commission's Report on reorganization of the Administration in the United States of America. It will be worthwhile giving here a summary of various points which require the immediate attention of the Union and State Governments for reforming the existing administrative system:

1. Methods of recruitment, training and promotions need substantial changes. The Public Service Commissions should try to introduce certain "psychological tests" also

in addition to the "viva voce" tests. In place of the present Training Schools for All India Administrative Services, the Government should establish a first-class College of Public Administration which should be capable of instilling the highest ideals of integrity, efficiency, economy and public service among the trainees. The system of promotions and selections for specified jobs should be made more elastic and human. Too much emphasis on mere "seniority" at the cost of ability and suitability is detrimental to the promotion of high standards in public administration.

2. Changes in the rules, regulations and procedures relating to the disposal of papers in the Secretariat are now overdue. The existing procedure is too dilatory and complicated and the files get lost in the innumerable departments. The Report of the Estimates Committee of the Parliament on "Reorganisation of the Secretariat" deserves fuller and closer attention for the implementation of its many recommendations. In short, the "red tape" must be reduced to the minimum.

3. There should be stricter Parliamentary control over the Public Exchequer and, as recommended by the Public Accounts Committee of the Parliament, the separation of Accounts and Audit Departments should be effected without further delay. But the existing procedure of sending all items of expenditure for the sanction of the Finance Ministry needs revision. The system of financial control should safeguard public money and at the same time avoid undue delays in execution of developmental programmes. It should also devise methods of checking actual expenditure more effectively.

4. It would be impossible to promote efficiency and speed in administration without a systematic plan for the decentralization of political power. In accordance with the Directives of the Indian Constitution, serious attempts should be made to establish Panchayats throughout the country as basic units of self-government. The Government of India may appoint a Commission to study the working of the Panchayats in different States and recommend further measures for placing these local units on a sound footing.

5. A regular machinery for instituting enquiries into the conduct of high officials and even Ministers should be devised to ensure high standards of integrity in public life. This machinery may be in the form of Special Tribunals to be appointed by the President, the Union Government, the

Governors or the State Governments. In addition to these Tribunals, the Ministries should see to it that Departmental enquiries are carried out expeditiously. Rules of Government service should also be revised in such a manner that corrupt and inefficient officials are weeded out quickly and the honest and efficient officers are duly rewarded.

6. In order to check unfair allegations in the press and the public against public servants, the Government should lay down a procedure according to which it should be possible for the official concerned to clear his name in a Court of Law. Indiscriminate condemnation of Public Administration and publishing wild and unfounded charges in the press should also be discouraged. The Government should, wherever necessary, promptly issue contradictions and take the public into confidence relating to certain allegations and charges against particular officers.

7. Codes of Conduct should be laid down for Ministers and high Government officials regarding their personal and social behaviour. For example, they should be required to furnish a return each year concerning not only immovable property but also movable assets acquired by them or their near relations. As recommended by the Planning Commission, those holding responsible positions, whether political or official, should avoid all such social contacts or functions which may compromise their position of "disinterestedness and impartiality."

These points are only illustrative and not exhaustive. They have been mentioned here in order to provoke thought. It is unfair and unhelpful to indulge in cheap criticisms of Government officials. The Government of India is now determined to clear the administrative "jungle" not only at the Centre but in the States also. Let us assist the Prime Minister in this important task with our specific suggestions and constructive cooperation.

*November 15, 1953.*

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## ECONOMICS OF NATIONAL DEFENCE

The recent debate in the Parliament on Foreign Policy was of momentous significance not only to this country but also to other parts of the world. The Prime Minister once again emphatically declared the firm determination of India to steer clear of both the Power Blocs and to follow a policy of peace, mutual good-will and cooperation. He made a pointed reference to the proposed U.S.-Pakistan Military Aid Pact and gave a friendly warning to Pakistan to realise the grave dangers of such an agreement. "The first thought that occurs to me when I think of any military aid freely given from a country of the West to a country of the East," observed the Prime Minister, "is the past history of Asia." "The history of the last two or three hundred years comes up before me, the history of colonial domination gradually creeping in here and establishing itself." The Prime Minister then made certain very significant observations regarding the efficacy of mere armed defence in the modern world. The very idea of seeking armed protection from other nations "makes us weak and feeble." Shri Nehru continued:

"We are not going to ask any country to defend us with their armed forces. Whether we have enough or not if a contingency like that arises perhaps we have something else which might stand us in good stead, and that is the **Spirit of Man**. It is a dangerous thing if, in relying on others, we lose that spirit. If India loses her Soul, what would it profit her who defends her?"

These words of wisdom that fell from the lips of the Prime Minister deserve serious thought and consideration. They embody a philosophy of life which Gandhiji preached to India and the world. The ultimate strength of a nation does not lie in the numbers of its armed forces but in the strength of its will to resist all unprovoked aggression with the power of its Soul. Interpreted in terms of modern psychology, the problem of National Defence is ultimately the morale of its people. National defences have to be organised not merely on land, in sea and air but in the minds and hearts of men. This is possible only if the people have faith in their destiny and confidence in the dynamic ideology of their leaders. Such confidence could be inspired among the people only if there is a revolutionary urge in the leaders to effect far-reaching social and economic

reforms with a view to bridging the gaping gulf between glaring economic inequalities. In a country where, in the words of Plato, there are two "nations"—the nation of the rich and the nation of the poor—it is impossible to inspire confidence and good-will among the people. The Spirit of Man can rise to great heights and conquer the force of arms only if it is unfettered by social and economic iniquities.

The Prime Minister referred to the proposal for introducing compulsory military training in India. He deprecated the idea of getting alarmed and hysterical in this respect simply because Pakistan was thinking of accepting free military assistance from the United States of America. All the money to be spent on military training "will have to be diverted from somewhere and inevitably it would have to be diverted from various economic activities that the Government were trying to carry on." "Ultimately the strength of a country," observed Shri Nehru, "would depend more upon economic progress." "If the country was economically weak, a vast number of people walking about in step would do no good." Those who talk so glibly about the desirability of introducing compulsory military training in India would do well to ponder deeply over these words of the Prime Minister. Modern politicians are not to feed their people on hate and fear and the ultimate choice that they present to the masses is: "Guns or butter?" Modern guns are terribly expensive commodities and they tend to starve almost to death both the body and Soul of a nation. This does not, however, mean that India should dispense with her armed forces altogether. A minimum military strength for national defence is almost inevitable in this imperfect world of ours. But we must realise and understand clearly that mere military strength is not of much avail in the modern Age of Atomic energy. In order to combat effectively the Atom Bomb, we will have to develop the Atomic Man of Gandhiji's conception. The power of the Atma is, in fact, the only effective answer to the Atom bomb. This is not mere philosophy or sentiment. It is the quintessence of modern thought and psychology.

The Prime Minister also made a reference to the use of Atomic energy for civil and industrial purposes. "We are on the eve of a revolution greater than the Industrial Revolution 150 years ago." Within ten or fifteen years it may be possible to utilise Atomic power for changing the very pattern of industrialisation in the world. The use of coal necessitated certain amount of concentration of factories in a particular area. The invention of electric power

has made decentralisation of industrial units a desirable proposition. But the use of Atomic energy will, undoubtedly, make decentralisation an inevitable pattern of industrial set-up. In this age of science, centralisation is not only proving to be unscientific but also strategically dangerous. Big factories become easy targets of bombing and aerial warfare. Decentralised industrial organisation is, therefore, the only type of planning that can survive the onslaughts of the Atomic Age. It is difficult for the highly centralised and mechanised industries of the Western countries to change their pattern now. But there is absolutely no reason why India should repeat the mistakes of other countries and try to imitate the large scale and centralised system of industrial organisation. There are many other advantages flowing from small-scale and cottage industries. The problem of unemployment, we are sure, cannot be effectively solved without decentralising the instruments of production in the form of cottage or home factories. But even from the standpoint of National Defence, decentralisation of our industries is not only desirable but also inevitable. In China, the Indusco movement served as a second line of defence; without the network of the Industrial Cooperatives in almost all the Chinese villages, it would have been impossible for the people to resist the attacks of the Japanese. At a time when we are in the midst of the first Five-Year Plan, it is very necessary to grasp fully the implications of a decentralised economy from the point of view of self-defence so that we may not repeat the mistakes committed by other countries in the past.

The possibility of a U.S.-Pakistan Military Pact has caused fear and consternation in some quarters. But the Prime Minister made it very plain in his speeches on Foreign Policy that there is no reason to get nervous or hysterical. Gandhiji won Independence from a mighty Empire through non-violence, strong will and firm faith in the goodness of our cause. Similarly, we must be ready to face all eventualities with a resolute will and deep faith in the ideals that we have set before us in re-building New India. These ideals are the ideals that Gandhiji taught us with patience and firmness. If we are able to conquer the twin emotions of fear and hatred, no power in the world can shake our self-confidence and snatch away the freedom that the Father of our Nation gave us with the matchless weapons of Satya and Ahimsa.

*January 1, 1954.*

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## REORGANISATION OF ADMINISTRATIVE SERVICES

In the course of a resolution on Social and Economic Programme, the Congress Working Committee observed that "the machinery of administration has now to face new problems connected with the establishment of a Welfare State." "The Services should, therefore, be reorganised from this point of view." The Planning Commission, in their recommendations for the Five-Year Plan, have also strongly pleaded for a reform in Public Administration. "The pace of development," state the Commission, "will depend largely upon the quality of public administration, the efficiency with which it works and the cooperation which it evokes." During the British regime, the main responsibility of the administrative set-up was the collection of revenue and the maintenance of law and order. The major emphasis now shifts to the development of human and material resources and the elimination of hunger, poverty and unemployment in the country. Although it is not fair to indulge in wholesale and sweeping condemnation of all Government servants, we must admit the naked fact that the Public Services in India have not so far been able to readjust themselves to their new responsibilities and have proved unequal to the great task of rebuilding the country on sound social and economic foundations.

The nation, during the last five years, has, undoubtedly, accomplished many great tasks; our achievements could be favourably compared with those of any other important country in the world including Russia and America. India has framed a new Constitution. She has reorganised the Governments after holding General Elections on an unprecedented scale. We have reorganised the States after liquidating six hundred and odd rulers and princes. The Congress has also tried to reorganise the social and economic system of the country through the preparation of the First Five-Year Plan. The process of re-organising the Congress Organisation itself is well under way. The important task of re-organising the Administrative Services has now to be taken up in all seriousness without further loss of time. As the Planning Commission rightly observe, "public cooperation and good-will are obtained when there is a belief in the integrity and efficiency of administration." The work of successful implementation of the Five-Year Plan is suffering greatly because such a faith in the integrity and efficiency of the Services is sadly lacking.

A number of schemes have been prepared for the proper re-organisation of the administrative machinery both at the Centre and in the States. The late Shri Gopalswamy Ayyangar had made a number of valuable suggestions; the Estimates Committee also submitted a very useful report on the Reorganisation of the Secretariat. Shri A. D. Gorawala wrote a report on Public Administration at the instance of the Planning Commission and recommended a number of measures for achieving integrity and efficiency in Administrative Services. Many of his recommendations have been incorporated in the Five-Year Plan. Recently, Prof. Appleby, the well-known American expert on Public Administration, has submitted a report to the Government of India regarding the reorganisation of the Services on a more flexible and less rigid basis. The alien rulers had given us a "steel-frame" which served their own purposes very well but which is ill-fitted to undertake new and onerous tasks under a free and democratic Government. It has, therefore, to be reoriented and overhauled to serve effectively the pressing needs and requirements of a Welfare State.

In order to achieve the above objective, it is essential to revise radically the existing rules of service and procedure of work in various Government departments. The Britishers framed the rules with a specific purpose in view. They wanted to maintain and prop up the prestige of their officials by laying down rules and regulations in such a manner that the highest in the land could not touch even the lowest officer of their bureaucracy. If the officers have now to become the real servants of the people, these rules of service will have to be revised thoroughly by the Union as well as State Governments. The Indian Constitution provides for such a revision by the Parliament or the State Legislatures. The Government of Uttar Pradesh has given a lead in this direction. Other States should profit by the experiment of the U.P. Government and take immediate steps to change their standing rules of recruitment, training, promotions and dismissals relating to the administrative services. These rules should *inter alia* provide for speedy departmental enquiries by competent Tribunals so that the corrupt and the inefficient public servants may be rooted out quickly and effectively. The rules should also be framed in such a manner that the honest and efficient officials may have ample opportunities of proving their worth and merit. It should be made amply clear to the Government servants that it is not only important to be honest but also to have the reputation of being honest. In this process of purification, it may be that a few innocent persons are also



liquidated. But such exceptional and hard cases should not deter us from launching a regular campaign against corruption, nepotism and inefficiency in Public Administration. The Ministers also should be prepared to undergo the same process of purification by facing Impartial Tribunals whenever necessary. Everybody in the Government, from the highest to the lowest, should be, like Caesar's wife, above all suspicions and must be ever-ready to vindicate his integrity by submitting to enquiries and cross-examinations.

As the Planning Commission have suggested, all Government servants should be required to furnish returns of movable as well as immovable property acquired by them or their near relations during the preceding year. Under the existing rules, the Government servants are required to submit details only about immovable property of their own; the properties acquired by their near relations do not come into the picture at all. It has also been recommended that the Central Government should establish a Special Intelligence Department for tracing and investigating offences involving corruption and nepotism in the States. Even the best officers in the States may not be able to rise above certain local considerations in instituting impartial enquiries in their respective regions. The dishonest and the guilty should be given exemplary punishments; they should not only be dismissed from service but also heavily fined and speedily prosecuted. Corruption and dishonesty should be regarded as the worst crimes under the new laws of the land. Without adopting drastic measures in this regard, it will be impossible to rid the existing administrative machinery of its numerous faults and shortcomings.

Corruption is not the sole monopoly of any particular section of society. It is a hydra-headed monster which has to be fought on many fronts. The Public Servant, the businessman, and the public in general have to be tackled simultaneously in uprooting dishonesty from the Indian society. Let all of us read the signs of the times. Let us understand once and for all that the masses can tolerate many economic hardships and difficulties; but they cannot and should not tolerate corruption and inefficiency in the administration. India must forge ahead on the economic front; she must succeed in liquidating hunger, poverty and unemployment within a few years. Anybody who comes in the way of her progress will have to go!

*July 1, 1953.*

## ECONOMICS OF THE HYDROGEN BOMB

Recent explosions of the Hydrogen bomb in the Pacific have sent a wave of terror, nervousness and resentment throughout the world. It is claimed that the destructive power of the H-bomb is six to seven hundred times greater than the Hiroshima bomb. Details of the explosion in the little island of Bikini are not yet known to us; nobody knows how many people have suffered or may suffer hereafter. Reports indicate that a number of Japanese fishermen have suffered as a result of the horrible explosions; people in Japan and the neighbouring islands are afraid to eat fish because of the radio-active substance which might injure them. It is evident that the Hydrogen bomb is the deadliest weapon of mass destruction invented so far and threatens the very existence of man and civilization. We are told that there is no effective protection against this new bomb and that millions of human beings may be exterminated by a single explosion and that many more injured, and perhaps still many more condemned to slow death, or to live under the shadow of the fear of disease and death. Some time ago, Prof. Albert Einstein stated publicly that if the Hydrogen bomb was successful, "radio-active poisoning of the atmosphere and hence annihilation of any life on earth, has been brought within the range of technical possibilities." We also learn that whereas the Atom bomb could be used both for destructive as well as constructive purposes, the H-bomb was wholly destructive in its effects and was incapable of being utilised for civil or industrial purposes. In the course of a statement in the Indian Parliament, the Prime Minister made an appeal for some kind of a "Standstill" agreement for stopping further explosions of this ghastly weapon of war and mass annihilation. This appeal has rightly evoked world-wide response and 'respectful attention', and deserves the serious consideration of all those who are anxious to avert another globe-shaking war for promoting lasting world peace and international cooperation.

While we may discuss the scientific and technological aspects of the Hydrogen bomb, we should not forget the essential fact that this latest weapon symbolises the dangers of the inherent conflict of economic ideologies in the world today. Speaking at a public meeting in Chowpathy grounds in Bombay the other day, Shri Nehru observed

that both Russia and America were pursuing their economic ideologies "with the same zeal, fanaticism and bigotry as the medieval crusade." "Russia and the United States," said Shri Nehru, "represent two different ideologies and are afraid of each other." "If their different ideologies were peaceful, it would be possible for the people of the world to make a choice between the two. But they were using means other than the peaceful and each believed it was carrying on a crusade against the other." The Hydrogen bomb, therefore, represents this titanic struggle between the two basic economic concepts of Capitalism and Communism, of *laissez faire* and totalitarianism. The United States of America is frantically and almost hysterically trying to stem the tide of Communism by economic aids to under-developed countries, through military assistance to "friendly" nations and by inventing fierce weapons of war for destroying the enemy countries. The U.S.S.R. talks loudly about peace but has no intention of lagging behind the U.S.A. in forging deadly weapons of human destruction. Reports indicate that Russia has been trying its hand at some kind of a Nitrogen bomb which is expected to be more powerful than even the H-bomb. Each bloc thinks and fondly hopes that the invention and explosions of such bombs would promote the necessary climate for world peace by frightening and "cowing down" the enemy. Prime Minister Churchill, in the course of a recent debate in the House of Commons, observed that the Hydrogen bomb would be helpful in averting the third world war and preserving international peace. Nothing could be more fantastic and suicidal than to think that violence could succeed in promoting non-violence and mutual good-will. Mahatma Gandhi always told us that wrong means could never achieve right ends and objectives. The Hydrogen bomb can never succeed in convincing any individual or a nation of the efficacy of a particular economic ideology; nor could it claim to uproot another ideology from the minds and hearts of the people who swear by it. Ideological conflicts can never be resolved through force and coercion: they can be solved only by mutual discussions to understand the other man's point of view. If the United States of America honestly believes that private enterprise and the capitalist order is more beneficial for the economic welfare of mankind, let her try to carry conviction to the other peoples who believe otherwise. Similarly, if Soviet Russia sincerely believes that the Communist economic order alone can succeed in bringing prosperity to mankind, let her try to demonstrate the efficacy of her ideal through concrete results, frank discussions, and open policies, without the "Iron Curtain."

So far as India is concerned, she has always kept an open mind and has tried her best to imbibe the good qualities of all systems of thought. As Gandhiji remarked once, he wanted India to keep her windows open for the breeze to flow inside from all directions but not to be swept off her feet by a gale from any quarter. From times immemorial, India has been the home of small village communities or republics on the basis of decentralised democracy and cottage industrialism. These village panchayats should never be regarded as the "relics of tribalism"; they were the result of mature thought and experience through the ages. Gandhiji emphasised the same ancient traditions and wanted India to evolve a healthy and balanced system of self-sufficient and self-governing rural communities on a co-operative basis. He wanted to eschew the evils of both capitalism and communism by striking a golden mean. Decentralised economy leaves the initiative in the hands of the individual or a group without allowing much scope for economic exploitation. It strikes a balance between the merits and demerits of *laissez faire* and regimented economic planning of the Soviet pattern. It is essentially based on the principle of non-violence and respect for human personality. To Gandhiji, man was much more important than machines, and any system which reduced men to automatons and cogs in a big wheel was to be shunned as undesirable. We have always regarded the two extremes of American Capitalism and Soviet Communism as unhelpful for the healthy growth of human personality and co-operative living. Both these systems are, more or less, economic crudities which India should try to avoid in the best interests of the nation and the world at large. In place of the capitalist or the communist economy—by the way, we do not relish the word 'mixed'—in accordance with her true genius and culture. In such a balanced economy, we shall care not for the "greatest good of the greatest number" but for Sarvodaya or "the good of all." In place of economic exploitation of the labour of others, we shall promote the philosophy of "bread-labour" or the eating of one's bread by the sweat of one's brow. Instead of merely attempting to raise the "standard of living", we should try to raise the "standard of life" of the people.

It is, therefore, imperative for all of us to understand the economics of the Hydrogen bomb in order to be able to delve deeply into its far-reaching implications. The only effective answer to the Hydrogen bomb could be the Gandhian ideology of non-violence, decentralisation, Sarvodaya

and Soul-force. Without removing the root causes of economic conflicts and ideological frictions, it will be impossible to ban these bombs which are the symptoms of a deep-rooted disease. We are also convinced that in this Age of science, non-violence could be the only practical proposition. The combination of science with violence would surely lead to total destruction of humanity. The combination of science with non-violence would pave the way for a better and happier world. The Hydrogen bomb is, indeed, a challenge to the conscience of all peace-loving peoples. It is a sin against humanity. It is blasphemy against Divinity.

*April 15, 1954.*

